

Lead Scotland

Report and audited financial statements

For the year ended 31st March 2021

Lead Scotland is a company limited by guarantee with no share capital
Company registration number: SC110186
Registered Scottish charity: SC003949

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Reference and administrative details

Charity name	Lead Scotland
Registered company number	SC110186
Registered charity number	SC003949
Trustees	Tricia Illsley (Vice Chair) Paul Smith (Chair) Colin Anderson Kevin Mallon Pamela Maxwell Andrew McMahon Sandra Wilson Anne Kidd (Treasurer) Senga Armstrong Kirsty Gemmell (appointed 18 th August 2020) Gillian Brown (appointed 18 th May 2021)
Company secretary	Colin Anderson
Registered office	525 Ferry Road Edinburgh EH5 2FF
Senior staff	Emma Whitelock, Chief Executive Officer Stephen Fernand, Regional Development Manager South Sarah Burton, Regional Development Manager North Doreen O'Donnell, Finance & Administration Manager
Auditors	Henderson Loggie LLP Ground Floor, 11-15 Thistle Street Edinburgh EH2 1DF
Bankers	Co-operative Bank 1 Balloon Street Manchester M60 4EP
Solicitors	Lindsays WS Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE

Board of directors' report

The Board of Directors of Lead Scotland is pleased to present its annual report together with the audited financial statements for the year ended 31 March 2021.

Vision and Mission statements

Our vision is of a fair society where disabled people and carers have an equal opportunity to learn, participate and achieve their potential.

Our mission is to influence change and provide personalised learning, befriending, advice and information services.

Management and Governance

The management of the Company is the responsibility of the Board of Directors, who are elected under the terms of the Memorandum and Articles of Association. Board members are provided with an induction pack and training. The Board of Directors delegates day to day management of the Company to the Chief Executive Officer, who is supported by the management team. The Board of Directors is the governing body of the company and, through its four Sub Committees: Finance and Risk, Strategy and Futures, Engagement and Fundraising and Governance is responsible for the organisation's system of internal financial controls and monitoring the strategic performance. The Finance Committee is chaired by the Treasurer who is supported in carrying out this responsibility by other Directors including the Chairperson.

The Objects in Lead Scotland's Memorandum are:

"The Object for which the Company is established is to advance the education of the public in Scotland particularly in the area of working with people with disabilities and their carers and people disadvantaged by their social or educational exclusion."

In furthering the attainment of the above mentioned charitable object, the company shall have the following purposes:

- a) To encourage and enable the inclusion of persons with disabilities and their carers, and such other persons disadvantaged by their social or educational exclusion as may seek assistance, into educational opportunities and where appropriate to provide a trained volunteer to work on a one to one basis with such persons in their own homes or such other appropriate venues;
- b) To provide information and support with education;
- c) To provide, where appropriate, ICT and other equipment to support individual learners without access to such items from other sources;
- d) To provide an information/resources service on education and leisure opportunities;
- e) To act as a specialist resource service particularly to organisations who are not working in the field of disability or who lack awareness of the same, as well as to those working in the field of disability, and fields relevant to other persons disadvantaged by their social or educational exclusion;
- f) To promote and organise co-operation in the achievement of the above purposes.

Board of directors' report *(continued)*

The Core Strategic Goals and Objectives for the planning period (2020-23) are:

Strategic goals 2020-23

1. Broaden our range of learning and befriending opportunities.
2. Enable more disabled people and carers to actively participate within communities.
3. Extend our local and national coverage.
4. Strengthen our financial sustainability.

Strategic Objectives 2020-23

During the year we streamlined our five strategic objectives into four, raising our ambition to reach more people across Scotland, capitalising on being able to deliver services remotely during the Covid-19 restrictions.

1. Increase the number of people engaged and progressing in our learning & befriending services per year from 382 to 1,000 by 2023.
2. Increase the number of disabled people and carers actively participating within communities per year from 150 to 200, by 2023.
3. Extend our learning and helpline services from 22 to 32 local authority areas across Scotland by 2023
4. Increase our unrestricted funding from £42,000 per year to £60,000 by 2023.

The importance of Lead's Volunteers

We are extremely lucky to have had the support of 156 dedicated volunteers in 2020-21, adding tremendous value to our work, as well as a growing number of wider supporters. 97% of volunteers surveyed in April 2021 would recommend volunteering with Lead Scotland which is great after a very challenging year! We deliberately keep our numbers at a manageable 'volunteer to volunteer manager' ratio so that we can try to build a personal connection with every volunteer. We have continuously held the external quality standard, Investing in Volunteers since 2005, being the first national organisation to become accredited. We have held the Volunteering Friendly Award in Dundee and North Lanarkshire.

Impact of Covid on volunteering

Before the Covid-19 pandemic volunteers mostly offered face to face services in learner and befriended homes and informal community venues such as libraries, community centres and cafes. We took the decision to permit volunteer involvement on a remote only basis during the pandemic to keep people safe as we could and adequately control the risks. That was a hard decision to make but some of the positive changes introduced during that period will continue such as the continued availability of remote cross project volunteering placements and training opportunities. We marginally increased the number of volunteers involved during the pandemic and many offered twice weekly support. Before the pandemic 99% of our volunteering opportunities were face to face. In April 2021 we surveyed volunteers to assess their changing expectations. 34 volunteers responded to the survey, 21% of our current 156 volunteers. The volunteer survey results reveal that when it is safe to do so, 21% want to return face to face only delivery, 64% of volunteers are keen to volunteer in a blended way, i.e., face to face and telephone/online and 15% want to volunteer on a remote only basis. Embedding remote volunteering opportunities across our team as part of our new 'normal' will clearly be welcomed by volunteers and cross project placement opportunities will allow us to flexibly reach more learners and befriended.

Board of directors' report *(continued)*

Volunteers have supported disabled people and carers by telephone, text, email, video and online throughout the pandemic:

- Additional funding from the Scottish Government during the first lockdown allowed us to temporarily extend our befriending services across our learning projects. As a result, an additional 38 volunteers gave support twice weekly to 72 learners lessening the anxiety, social isolation and loneliness caused by lockdown. As a result, 75% of learners felt less isolated and 56% felt more able to cope.
- Volunteers supported Co-ordinators to deliver a variety of integrated literacy, numeracy, core and digital skills programmes to learners gaining skills and accreditation where possible.
- With additional money from TESCO, we were able to involve volunteers in the development of new training resources providing instruction and boundaries support when offering telephone and online support.
- Assisting the work of Head Office staff (e.g., refreshing our factsheets, responding to policy consultations).
- Friends of Lead groups raised awareness and funds in North Lanarkshire.

Here are some learner and befriender comments which illustrate the positive difference our volunteer support made to people during the first lockdown:

- “I really look forward to our calls, especially as he is really the main person I am in contact with during lock down”.
- “I enjoyed getting to know my befriender and it was nice to know that someone was thinking about me each week”.
- “[the volunteer] has helped me to use my iPad and I can now send and receive emails, online banking, online shopping, download Apps and I am more confident now.”.
- “I struggle a lot with my mental health and have been going through a really dark time for the last few years. I really wanted to make a change though and getting to know someone new seemed like a good way to do this. They did a great job of matching me with someone who had lots in common with me. We really got on well, and I am very thankful for the time she gave up to speak to me”.
- “They have given me someone to talk to and share my concerns with. They have filled a gap in my usual support services which are currently on hold because of Covid-19”.

Review of the year 2020-21

We demonstrated excellent organisational and digital resilience in the face of the challenges presented by Covid-19, which was applauded by people who use our service, our funders and wider supporters. Our digital transformation to cloud based working, over the last 2 years, meant we were able to make the necessary pivot of our operations from face-to-face to online overnight. We were focussed and agile in the way we responded to new opportunities, reaching more people whilst stabilising our financial position.

Covid-19 and the ripples from Brexit led in separate ways to delays in decisions about funding, for both our core and local projects, beyond the first quarter. These late decisions presented an early threat in the year to our financial resilience, however by June 2020 most of the recurring funding was confirmed and it became clear by January 2021 that our focussed determination to raise more funding through Trusts was working well as an effective tactic. The Finance and Risk Committee met monthly this year to monitor the position. We are grateful to the Wolfson Trust and to the Robertson Trust for allowing us to convert restricted grant awards into unrestricted income.

Board of directors' report *(continued)*

Our performance against our strategic objectives for 2020-21:

The Board made the decision to raise the ambition of our strategic plan midway through the year striving to reach more people across Scotland because we had proved our ability to being agile to respond to new opportunities. We are very grateful to the Scottish Government for our core funding which comes from the Adult Learning and Communities Fund administered by the Corra Foundation. We were delighted to have funding support from The Julia and Hans Rausing Trust's Charity Survival Fund which helped to mitigate our core funding shortfall, improving our resilience in the second half of the year.

We are extremely grateful to our new and existing funders for their partnership support. Thank you to all our local authority partners who make it possible for us to have frontline activities in Aberdeen, Aberdeenshire, Dundee, Fife, Highland, North Lanarkshire and Perth and Kinross. We work with local partners and use local intelligence to ensure we meet the gaps in services.

We are grateful to the National Third Sector Fund (NTSF) administered by Skills Development Scotland (SDS) who support our frontline learning services in Highland and Moray, matched by The Hugh Fraser Foundation. Thank you to The Robertson Trust who funded our Moray project. We are grateful to The Agnes Hunter Trust who together with Aberdeenshire Council and The Stafford Trust fund a new project in Aberdeen and Aberdeenshire. We are grateful to SUSE delivering a programme of work to employees, to the Scottish Council for Voluntary Organisations who supported our digital participation project and to Remake for digital project work in Perth.

Strategic Objective Performance

Strategic Objective 1 target: Increase the number of people engaged and progressing in our learning & befriending services per year to 700: By reaching 1,396 service participants we have significantly exceeded this target by 99%. This is due to unprecedented demand for our remote short course learning services.

Service type	2019-20 number of people	2020-21 number of people	Comment on trend
Local community-based adult learning projects in 9 local authority areas	438	330	All projects met or exceeded their targets in both years. Decrease of 25% due to closure of a multi area project which closed in March 2020 and a one-off contract in 2019-20.
National online learning services across 32 local authority areas	164	981	498% increase in learners reached, through 53 tutor facilitated online learning sessions in 13 subjects related to cyber resilience and online accessibility
2 Befriending Projects in Fife	41	85	Increase of 107% with the additional of a second Befriending project in Fife
Total number of service participants	643	1,396	117% increase on last year

We were delighted to receive a grant from SCVO's Digital Participation Fund to co-produce a course with disabled people with technical support from the Open University. Our OpenLearnCreate Everyday Computer Skills course already has 133 people signed up including some of our own learners. We also supported 68 learners to successfully apply for a device and data via Connecting Scotland and the Digital Inclusion Fund.

Board of directors' report *(continued)*

Some Impact statistics

- 88% of all local community-based adult learners reported increased confidence.
- 100% of 94 local community-based adult learners who responded to surveys this year said they would recommend lead Scotland.
- 99% of 255 participants surveyed on national learning projects would recommend our training (of a total of 652 surveyed, 39% survey response rate).

Some impact quotes:

- **Highland learner:** "I was feeling at rock bottom, but being given a device and support, helped to motivate me to get online and search for a job".
- **Aberdeenshire learner:** "I'm now self-employed and I've just started up a community interest company (a kick start) and I just would have never ever had the guts to do it, if I hadn't done this qualification".
- **Dundee learner:** Learner talking about our OpenLearnCreate Course, "I find when we talk about things on the course, I understand it more and it helps me remember", "I like problem solving and this is really making my brain work, I look forward to our call each week – it's the fastest hour of the week, I love it!".

Strategic Objective 2 target: Increase the number of disabled people and carers actively participating within communities per year to 150 people. We supported 123 people to actively participate in their communities, 18% short of our target for reasons related to Covid-19, for example many learners found volunteering placements were on hold or people were not yet sufficiently confident to volunteer online. 53% of learners tracked at 3 months said they felt more connected to their community as an added value outcome on top of their learning achievement.

As well as volunteering locally, learners from four projects developed easy read cyber resilience resources, which have been widely disseminated by the UK's National Cyber Security Centre (NCSC). This year we were funded by the Scottish Government to produce cyber security messaging in accessible formats, in partnership with NCSC. Fifty organisations have responded to a detailed survey to inform a further programme of work in 2021-22.

We supported Inclusion Scotland's Lived Experience Leadership project this year. Three disabled project participants evaluated the accessibility of our SCQF level 6, 12 credit Thinking Digitally Module as well as undertaking the course to gain credit. All three said the course was very accessible and inclusive. Lead's CEO was shadowed by a disabled participant as part of their leadership exchange programme.

Strategic Objective 3 target: Extend our learning and helpline services across Scotland across 27 local authority areas. We exceeded our target by 18% reaching all 32 local authority areas with remote learning opportunities. The Strategy and Futures Committee supported us to extend our ambition, the Engagement and Fundraising Committee are supporting us to market for future expansion.

981 remote learning participants: We capitalised on being a digitally agile organisation with a suite of digital and accessibility short courses ready to go, thanks to our previous Digital Progression Fund, via the Scottish Government's Social Economy Growth Fund. We secured several small-scale projects, delivering: Adult Achievement Awards for Sikh Sanjog staff, Thinking Digitally to Inclusion Scotland members, a programme of

Board of directors' report *(continued)*

short courses to the Disability Employment Gap Public Sector partnership and three larger projects funded by Scottish Government's Emergency Covid19 funding and the Cyber Resilience Strategic Framework.

305 in depth helpline enquiries from 122 people across 24 local authority areas: our helpline continues to be unique and useful. We tracked 90 people, 26 responded (29% response), 100% reported impact benefits. e.g.: "Rebecca was excellent. Hugely knowledgeable, she provided the relevant information for me to help my son get his life back on track following the difficulties caused by his late diagnosis. She also gave us both hope, and the confidence that there were options available to him that would enable his return to further education. I can't praise her, and the invaluable help she gave, too highly."

Strategic Objective 4 target: Increase our unrestricted funding, target £45,000. We raised £58,697, exceeding our annual target by 30% and we exceeded last year's performance (2019/2020: £18,666) by 214%. The Engagement and Fundraising Committee supported and monitored the ambition in our Fundraising plan.

One tactical change was material to our success. In January 2020 we restructured the Engagement and Fundraising Officer post to include writing Trust applications. The Chief Executive Officer, Managers Engagement & Fundraising Officer have worked efficiently as a team, securing 14 Trusts with a 34% success rate, up from 3 last year when we had less capacity and focus on this fundraising activity.

Income Growth: We have seen a 20% increase in our income overall. We are incredibly grateful to our new and existing funders highlighted above. The increase in funding has enabled us to reach more people, strengthen our financial resilience, mitigate shortfalls and match fund projects. 75% of our income this year has come from the Scottish Government and local authorities through grants, a stable income stream not affected by Covid-19.

Core funding and strategic relationship with government: 2020-21 should have been the final year of core funding from the Scottish Government via their Adult Learning and Empowering Communities Fund, but we have been given an extra year of continued standstill funding up to March 2022. We applied to the successor Families and Communities Fund in September 2019 for core funding to further our new strategic ambition and we await the outcome of our application. Core funding from the Scottish Government contributed 68% to our overall core expenditure. This core grant also represented 22% of our overall income this year compared with 26.6 in 2019-20 and 27.9% in 2018-19 demonstrating how we continue to make the grant go further. It remains a critical funding source, directly supporting all our activities wholly or in part.

Scottish Government funding is also more than a grant, it is a strategic partnership. We are invited to act as advisors and take strategic leadership by Scottish Government to shape and strengthen policy which enables disabled people and carers to progress with learning. Whilst we work very closely and regularly with government colleagues, we are impartial and independent from the Scottish Government, adding value as a specialist organisation harnessing the direct voices of people with lived experience and protected characteristics to overcome barriers to learning. We are proud to have worked with the Scottish Government, Youthlink and WEA Scotland to set up the Digital Inclusion Fund for those who were not eligible to apply to Connecting Scotland. This fund distributed devices and 12 months data to 626 learners aged 14 to 56, across 28 local authority areas, 4% of whom received assistive technology. 68 Lead Scotland learners received a device and data through Connecting Scotland and the Digital Inclusion Fund.

Policy Work: Our strongest positioning is as a specialist provider of post school learning services. Our work makes a positive difference to key areas which are important to government such as: increasing access and provision of high quality lifelong, life-wide and learner-centred adult and community learning opportunities, the further and higher education widening access agenda, digital participation, cyber resilience, halving the

Board of directors' report *(continued)*

disability employment gap, reducing isolation, post school transitions and Fairer Scotland for disabled people action plan ambitions.

Policy and Strategy Work: We submitted several policy responses this year to shape national policy and strategy, providing opportunities for disabled people to have a say:

1. Scottish Government Adult Learning Strategy - our Chief Executive has been actively involved in many meetings throughout the year as a member of the writing group.
2. Scottish Government Digital strategy - provided feedback.
3. Cyber Resilience Strategy and Action Plan Framework - provided feedback.
4. Scottish Funding Council Review of coherent provision - joint Lead response, used the opportunity to highlight opportunities for increased focus on equality and equity for disabled learners and CLD.
5. Proposed Transitions Bill – we coordinated a strengthened response with ARC.
6. SQA's Equality Impact Assessment of their Alternative Certification Model – provided feedback.
7. Members of the new Scottish Funding Council and Equality and Human Rights Persistent Inequalities Group.
8. Co-Chairing the Disabled Outcomes group with the Scottish Funding Council.

As well as delivering learning, befriending, helpline services, strategic and undertaking policy work our staff team have been giving inputs to many online events this year giving presentations and delivering workshops and facilitating discussions at partner events. We have also been undertaking research on behalf of Advance HE/SFC into best practice in supporting disabled people at colleges and universities.

The Directors wish to recognise and thank the Friends of Lead group in North Lanarkshire. Friends of Lead North Lanarkshire is independently constituted, and is made up of members, learners and volunteers who are dedicated to supporting Lead through raising awareness and fundraising for valuable unrestricted funds which add value to local projects. The Directors are very appreciative of their support and commitment.

Risk management

The Board of Directors and the management team have adopted a structured approach to risk management and have incorporated risk management into Board Sub Committee and management practices. The risks facing the organisation - including the impact, likelihood and possible mitigations - are reviewed on a regular basis alongside reviews of our SWOT and PESTLEC. However, in light of the challenging external financial climate and the unknown impact of Brexit, Covid-19 and increased cyber threats the Board of Directors and the Senior Management Team will continue to undertake an even greater scrutiny of risks being faced both internally and externally by the organisation during the next few years. During 2020-21 the Finance and Risk Committee met monthly to closely monitor the position.

The main risks to the charity going forward:

- Slow economic post pandemic recovery in the short, medium and long term may affect levels of government spending.
- Local authority revenue may be diverted to support the Covid-19 recovery effort reducing the levels of grant funding available for third sector organisations.
- Decreased levels of Trust funding after stepping up with Covid-19 emergency funding, lower interest rates and increased competition for funds.

Board of directors' report *(continued)*

- Lack of sustainable funding for activities, or significant cuts to funding projects.
- Increased threat from cyber-attack.

The risks are closely monitored, and the mitigations are at the core of Lead's strategy going forward. These mitigations include:

- Continuing to build and strengthen relationships within Government and with other key stakeholders to ensure visibility of the impact of Lead's work and our value for money.
- Continuing to seek grant funding (which has been a stable source during Covid-19) and diversify our funding streams to match fund projects and mitigate shortfalls.
- Increasing our fundraising efforts by growing our donor and support base.
- Seeking project expansion opportunities within areas where we already have strong partnerships.
- Capitalising on our ability to offer remote learning services across Scotland.
- Increasing the volume of Trust and grant applications in a targeted way.
- Identifying and evaluating new, diverse service offerings that remain in line with Lead's core Vision.
- Sustaining Cyber Essentials accreditation and continuing to offer regular digital and cyber resilience training to staff and volunteers.
- The Chair, Treasurer, Chair of the Strategy and Futures group and Chief Executive Officer hold regular financial monitoring meetings and evaluate how well tactics are working.

The Board have considered Safeguarding responsibilities and have a policy statement and operational process including a standardised safeguarding template which gives clear guidance and practical information for staff and volunteers. The Safeguarding policy was most recently updated in August 2019 and the template updated in February 2020. Safeguarding training is taken up by all staff and volunteers as part of their induction and continuing professional learning.

The three main objectives of the financial control system are to:

- ensure that the company maintains proper accounting records.
- safeguard the organisation's assets from unauthorised disposal or use.
- ensure the integrity and reliability of financial and operational information used for: (a) decision making within the organisation and (b) external publication.

The company's internal controls include:

- a strategic plan, operational plans and annual budget approved by the Board of Directors.
- regular consideration of financial results and variance from budgets, Chief Executive Officer and Regional Development Managers' review of non-financial and performance indicators.
- delegation of authority and segregation of duties.
- identification and management of risks.

The Board of Directors confirms that the financial statements comply with the current statutory requirements and the requirements of Lead's Memorandum and Articles of Association.

The Board of Directors confirms that, on a fund-by-fund basis, Lead's assets are adequate to fulfil Lead's obligations.

Board of directors' report *(continued)*

Financial review

The service base saw more increases than decreases across our delivery areas. In spite of the considerable funding challenges that Lead faces we continue to make good progress and saw growth in income of 19%. The audited accounts show an overall surplus of £56,103 unrestricted income. Annual payments are being made to reduce a material defined, long term, pension liability (see note 16). The impact is being minimised through robust financial governance.

The Board of Directors can confirm that there was sufficient funding available to Lead during 20/21 to deliver our full programme of services.

The Board of Directors and all of the Lead team are incredibly grateful for the support of all our partners, individuals and agencies, whose financial and/or in kind support provided benefits during the year. We very much value our continuing relationship and repeat donations from Hugh and Mary Miller Bequest and we are very grateful to The Tay Charitable Trust for significantly increasing their donation. We were delighted to build new relationships with Trusts and Foundations who match fund our projects providing critical support to the frontline of our organisation, in particular the Meikle Foundation, Ina Baxter, Wm Mann Foundation, Hoare Trustees, Alexander Moncur, Leng Trust, Bauer – Cash 4 kids and the New Park Trust. We are very grateful to our supermarket partners, Tesco, Asda and the Co-op who have supported our volunteer training programmes and have provided much needed IT equipment to loan to learners. We were very fortunate to receive a donation from Baillie Gifford to support the work of our organisation, nominated by one of their employees. A funding Award from Befriending Networks provided extra hours for two Befriending Coordinators enabling us to reach more people.

Lead received funding through the Children and Young People Early Intervention, Adult Learning and Effective Communities Fund towards its headquarters costs. Principal funding sources are listed elsewhere in the accounts and include Scottish Government, Local Authorities, Adult Literacy Partnerships, Community Planning Partnerships, Health and Social Care Partnerships, The Agnes Hunter Trust and the Robertson Trust.

Reserves policy

The Board of Lead Scotland has agreed a policy for reserves that requires reserves to be maintained at a level that:

- I. Ensures that Lead Scotland core activities can continue during a period of unforeseen difficulty or financial uncertainty, and
- II. Takes account of our growth ambition and
- III. Provides an appropriate period of time to secure additional or new funding when existing funding is withdrawn or no longer available, and
- IV. Endeavours to ensure that Lead Scotland is able to meet costs associated with a reduction in services or closure of the organisation including outstanding liabilities.

The calculation of the required level of reserves is an integral part of the annual planning, budget and forecast cycle. A proportion of the reserves was maintained in cash on deposit or other readily realisable forms. The level of reserves was agreed by the Board of Directors who take account of:

- Risks associated with each income stream and expenditure being at variance with that budgeted for.
- Planned activity levels and any variance.
- Organisational commitments.

Board of directors' report *(continued)*

Lead Scotland aims to maintain the overall level of free funds held on reserve at an equivalent of 4 to 6 months running costs for the organisation. The current level is £212,461 which represents 4.9 months running costs. The Board is satisfied that the organisation's cash reserve position remains adequate as they consider the pension deficit, which is included on the balance sheet as a provision under FRS 102, remains unlikely to crystallise in the short term. Further information on this provision is given in note 16.

General Fund

The General Fund represents the free reserves of Lead Scotland. During the year this fund increased to £212,461 (note 12).

Designated funds

Designated funds have remained at £9,403 (note 12).

Restricted funds

Restricted funds have increased from £27,871 to £111,548 (note 13).

We have worked hard to build our unrestricted reserves this year, stabilising our financial position and resilience. We have an ambition to grow therefore we will need larger reserves in place. Our reserves mitigate our risk from short term and insecure funding. Having sufficient reserves in place also means we can quickly move on match funded opportunities for frontline services whilst we look for other sources of match funding or await funding decisions.

Future developments

We have five annual plans in place to take forward our strategic objectives: Business, Marketing and Communication, People, Fundraising and Digital. Learner, volunteer and staff surveys have provided us a clear understanding of people's changing needs and expectations in the Covid recovery period. There is a clear appetite from the majority of learners for a blended face to face and telephone/online services. 54 learners responded to our survey in April 2021 asking them to look ahead. 5% of learners want remote only services, 25% would like face to face only and 70% want a blend of face to face and remote services.

- Deliver a high-quality blend of face to face and telephone/online learning and befriending services.
- Extend our presence within existing local authority areas to offer a range of local learning and befriending services.
- Seek new funding to deliver online peripatetic learning and befriending services.
- Contribute to key policy areas which match our strategic ambition, and which support the Covid-19 response and recovery effort.
- Strengthen the professional identity of our staff and volunteer team through learning and mentoring opportunities.
- Continue to expand our broad range of partners to meet identified need effectively and efficiently, by planning and evaluating together.
- Develop and deliver our portfolio of digital learning products and capitalise on being an SQA Centre to offer more accredited pathways.
- Involve more disabled people and carers in the design and delivery of our services.
- Embed community participation outcomes within our project milestones ensuring that disabled people and carers have opportunities to become changemakers as part of our service offer.
- Sustain Cyber Essentials Accreditation and promote excellent cyber resilience behaviours aligned with the National Cyber Security Centre messaging.

Statement of Directors' responsibilities

The Directors (who are also trustees for the purposes of charity law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles of the Charities SORP.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Going concern

Having reviewed the secured funding contracts and the free reserves of the charity the trustees consider it appropriate to draw up the financial statements on a going concern basis.

Disclosure of information to auditors

The report was prepared in accordance with the special provisions of the Companies Act relating to small companies.

In so far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and each Director has taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Approved by the Board of Directors on 28th July 2021

Signed on behalf of the Board:



Anne Kidd
Director
Treasurer

Independent Auditor's Report to the Trustees and Members of Lead Scotland

Opinion

We have audited the financial statements of Lead Scotland (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) 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 charity'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 Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Trustees and Members of Lead Scotland

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 our audit:

- the information given in the Strategic Report and the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as 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 the Acts and relevant regulations made or having effect thereunder

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

Independent Auditor's Report to the Trustees and Members of Lead Scotland

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

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR and the Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); GDPR; and compliance with the Companies Act and Charities legislation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

This report is made solely to the Members of Lead Scotland, 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.

Henderson Loggie LLP

**James Davidson (Senior Statutory Auditor)
For and on behalf of Henderson Loggie LLP**

Chartered Accountants

Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Ground Floor, 11-15 Thistle Street

Edinburgh

EH2 1DF

16 August 2021

Statement of financial activities and income and expenditure account

Year ended 31 March 2021

	Notes	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	2	65,616	-	42,959	108,575	12,296
Other trading activities	2	-	-	14,451	14,451	10,005
Investment income	2	-	-	1,288	1,288	1,268
Income from charitable activities	3	515,218	-	-	515,218	511,859
Total income		580,834	-	58,698	639,532	535,428
Expenditure on:						
Raising funds	5	-	-	(12,820)	(12,820)	(12,701)
Charitable activities	6	(490,236)	-	4,753	(485,483)	(559,200)
Total expenditure		(490,236)	-	(8,067)	(498,303)	(571,901)
Net income/(expenditure)		90,598	-	50,631	141,229	(36,473)
Transfers	13	(6,921)	-	6,921	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pensions scheme	16	-	-	(1,449)	(1,449)	1,362
Net movement in funds		83,677	-	56,103	139,780	(35,111)
Fund balances brought forward at 1 April 2020		27,871	9,403	156,358	193,632	228,743
Fund balances carried forward at 31 March 2021		111,548	9,403	212,461	333,412	193,632

There were no recognised gains or losses other than those included in the statement of financial activities and income and expenditure account. All activities relate to continuing operations.

The notes on pages 21 to 34 form part of these financial statements.

Balance sheet
As at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets	8	-			-
Current assets					
Debtors	9	64,826		49,581	
Cash at bank and in hand		390,270		228,299	
		<u>455,096</u>		<u>277,880</u>	
Creditors: amounts falling due within one year	10	(79,301)		(34,030)	
Net current assets			<u>375,795</u>		<u>243,850</u>
Total assets less current liabilities					
Provisions for liabilities and charges	16		<u>(42,383)</u>		<u>(50,218)</u>
Net assets			<u><u>333,412</u></u>		<u><u>193,632</u></u>
Represented by					
Unrestricted General Fund	12		212,461		156,358
Unrestricted Designated funds	12		9,403		9,403
Restricted funds	13		111,548		27,871
Total funds			<u><u>333,412</u></u>		<u><u>193,632</u></u>

The financial statements are prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 relating to small companies and were approved by the board of directors on 26 October 2020 and were signed by:



Paul Smith
Chair



Anne Kidd
Treasurer

Company Registration No: SC110186

The notes on pages 21 to 34 form part of these financial statements

Statement of Cash Flows
As at 31 March 2021

	2021	2020
	£	£
Cash flow from operating activities		
Net income/(expenditure)	141,229	(36,473)
Interest income	(1,288)	(1,268)
(Increase)/Decrease in debtors	(15,245)	27,461
Increase in creditors	45,271	9,028
(Decrease) in defined benefit pension provision	(9,284)	(9,339)
	<u>160,683</u>	<u>(10,591)</u>
Cash flow from investing activities		
Interest income	1,288	1,268
	<u>1,288</u>	<u>1,268</u>
Net increase/(decrease) in cash and cash equivalents	161,971	(9,323)
Cash and cash equivalents at beginning of period	228,299	237,622
	<u>390,270</u>	<u>228,299</u>
Analysis of cash and cash equivalents		
Cash at bank	327,335	165,904
Short term deposits	62,935	62,394
	<u>390,270</u>	<u>228,299</u>

Notes to the financial statements

Year ended 31 March 2021

1. Accounting policies

Basis of preparation

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). They have also been prepared under historical cost accounting rules. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Having reviewed the secured funding contracts and the free reserves of the charity the trustees consider it is appropriate to draw up the accounts on a going concern basis. The Board has also considered the impact of the Covid-19 pandemic and consider it appropriate to prepare the financial statements on a going concern basis of preparation for the reasons as set out in the Trustees' Report.

Company status

The charity is a private company limited by guarantee and incorporated in Scotland, with its registered address as set out on page 1. The members of the company include the directors named on page 1 and other interested parties. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity constitutes a public benefit entity as defined by FRS 102.

Income

Income consists principally of grants, including government grants, and donations. Income is recognised when the charity has entitlement to the funds, when it is probable that the income will be received, and the amounts can be measured reliably. Income is deferred where there is insufficient evidence that the funding conditions are within the charity's control and therefore will be met. For legacies, entitlement is taken as the earlier of the date on which the charity is aware that confirmation or probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified by the executor's intention to make a distribution.

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 from restricted or designated funds is set against the appropriate fund. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of research and consultancies carried out for the third parties.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. This includes governance costs which comprise those costs associated with the governance of the charity. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Where possible, expenditure has been charged directly to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the time spent by staff on each activity. The organisation is not registered for Value Added Tax (VAT). All VAT on incurred costs is included in the attributable expenditure.

Notes to the financial statements

Year ended 31 March 2021 (continued)

1. Accounting policies (continued)

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, payroll and governance costs which support the charity's activities. These costs have been allocated to charitable activities.

Donated services

In accordance with the Charities SORP (FRS 102), the general volunteer time of the volunteers is not recognised.

Termination payments

All termination payments made in the year are recognised in the statement of financial activities and income and expenditure account.

Fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised. Where assets relate to a specific restricted fund these are expensed in the year of purchase.

Provision is made for the depreciation of fixed assets in order to write off the cost or valuation over their expected useful lives as follows:

Computer equipment	- 33% straight line
Office equipment	- 20% straight line

Debtors

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

Cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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 trade discounts due.

Operating leases

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

Pensions

Defined benefit pension scheme

The company participates in a defined benefit pension scheme, the assets of which are held separately from those of the company in independently administered funds and for which it is not possible to separately identify the assets and liabilities of participating employers. As required by FRS 102, it recognises a liability representing the net present value of the deficit reduction contributions payable under the existing deficit funding arrangements.

Defined contribution pension scheme

The charity also contributes to a pension scheme providing benefits based on contributions. Employer contributions charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements *(continued)* **Year ended 31 March 2021**

Taxation

The company is accepted as a charity for tax purposes. It is considered that no liability to corporation tax will arise on the results of the year.

Financial instruments

The charity only enters into basic financial instruments. Financial assets are initially measured at transaction price and subsequently held at cost, less any impairment. Financial liabilities are initially measured at transaction price and subsequently held at amortised cost.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Pension and other post-employment benefits

The cost of defined benefit pension plans is determined using actuarial valuations and recognising the net present value of the deficit funding arrangement the company has agreed to. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Funds

The General Fund is an unrestricted fund which is available for use, at the discretion of the directors, in furtherance of the general objectives of the charity and which has not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purpose. Restricted funds are funds to be used in accordance with specific restrictions imposed by donors.

Notes to the financial statements (continued)
Year ended 31 March 2021

2. Analysis of income

	Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Donations and legacies:				
Hugh and Mary Miller bequest	-	3,500	3,500	3,500
Tesco Bags of Help	1,000	-	1,000	4,000
Tay Charitable Trust	-	2,000	2,000	500
Co-op Community Fund	4,050	1,243	5,293	-
Kilt Walk	-	710	710	1,405
Asda Green Token	1,000	-	1,000	-
Meikle Foundation	250	-	2,000	-
Ina Baxter	2,500	-	250	-
Tesco Covid 19	1,500	-	2,500	-
Wm Mann Foundation	-	-	1,500	-
Hoare Trustees	-	12,982	12,982	-
Baillie Gifford	-	2,000	2,000	-
Befriending Networks	3,720	-	3,720	-
Alexander Moncur	4,000	-	4,000	-
Bauer Radio - Cash 4 kids	1,296	-	1,296	-
Wolfson	-	17,000	17,000	-
Leng Trust	1,500	-	1,500	-
New Park Trust	2,800	-	2,800	-
Highland Distillery	39,000	-	39,000	-
Walter Craig Trust	1,000	-	1,000	-
Other smaller donations	-	3,524	3,523	2,891
Total voluntary income	65,616	42,959	108,575	12,296
Consultancy Income	-	14,451	14,451	10,005
Bank interest	-	1,288	1,288	1,268
	65,616	58,698	124,314	23,569
	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	
Donations and legacies	4,903	7,393	12,296	
Other trading activities	-	10,005	10,005	
Investment income	-	1,268	1,268	
Total 2020	4,903	18,666	23,569	

Notes to the financial statements *(continued)*
Year ended 31 March 2021

3. Income from charitable activities

	Restricted £	Unrestricted £	Total 2021 £	Total 2020 £
<i>Income from Scottish Government</i>				
Core grant	142,500	-	142,500	142,500
Digital progression North Project	-	-	-	81,001
Cyber Resilience Project	10,140	-	10,140	10,804
Covid 19	23,164	-	23,164	-
Cyber Resilience Project - Alternative Formats	20,000	-	20,000	-
Total	195,804	-	195,804	234,305
<i>Income from local authorities</i>				
Aberdeenshire Council	58,660	-	58,660	55,000
Highlife Highland	5,000	-	5,000	-
Dundee Council	30,396	-	30,396	30,396
North Lanarkshire Council	24,005	-	24,005	26,972
Fife Council	77,381	-	77,381	77,381
Perth Council	44,000	-	44,000	44,000
Total	239,442	-	239,442	233,749
<i>Income from others</i>				
SUSE	2,500	-	2,500	-
Hugh Fraser Foundation	3,000	-	3,000	-
Agnes Hunter Trust	15,000	-	15,000	-
SDS	43,115	-	43,115	8,385
SCVO	2,357	-	2,357	7,070
Stafford Trust	5,000	-	5,000	-
Remake	4,000	-	4,000	-
Robertson Trust	5,000	-	5,000	10,000
Remploy	-	-	-	2,400
Adam Family Foundation	-	-	-	10,000
PKAVS	-	-	-	5,950
	79,972	-	79,972	43,805
Total income from charitable activities 2021	515,218	-	515,218	511,859
Total income from charitable activities 2020	511,859	-	511,859	511,859

Notes to the financial statements (continued)
Year ended 31 March 2021

5. Staff costs

Salaries (including temporary staff)	393,167	406,423
Employer's NIC	27,703	30,502
Pension Contributions	17,272	19,098
	438,142	456,023

No employees received emoluments in excess of £60,000. (2020: None) Average staff numbers during the year were 20 (2020: 20). During the year travel expenses of £nil (2020: £299.23) were reimbursed to no directors (2020: 3). The directors received no remuneration in the current or previous year. Trustee indemnity insurance is provided as part of the overall insurance policy for the organisation.

The remuneration and benefits paid (including employer's NI and employer's pension contributions) to the senior management team, consisting of the Chief Executive Officer, Finance & Administration Manager and Regional Development managers, were £165,840 (2020: £166,149). Pay is set in line with Scottish Joint Council pay scales and is agreed by the Board of Directors.

During the year Lead Scotland paid £1,200 (2020: £nil) to HoweTech a company in which Andy McMahon is a director, for consultancy services

5. Cost of raising funds

	Restricted £	Designated £	Unrestricted £	Total 2021 £	Total 2020 £
Wages and salaries	-	-	12,820	12,820	12,284
Fundraising expenses	-	-	-	-	417
Total 2021	-	-	12,820	12,820	12,701
Total 2020	-	-	12,701	12,701	

6. Charitable activities

	Restricted £	Designated £	Unrestricted £	Total 2021 £	Total 2020 £
Wages & salaries	425,323	-	-	425,323	443,739
Other staff costs	3,329	-	-	3,329	31,582
Property costs	9,095	-	-	9,095	12,804
Administration costs	30,390	-	*(6,348)	24,042	21,280
Meeting costs	50	-	-	50	3,484
Publications and subscriptions	779	-	-	779	1,344
Learner costs	16,653	-	1,595	18,248	39,448
Depreciation	-	-	-	-	-
Governance costs (note 7)	4,617	-	-	4,617	5,519
Total 2020	490,236	-	(4,753)	485,483	559,200
Total 2019	568,512	28	(9,339)	559,200	

Notes to the financial statements (continued)
Year ended 31 March 2021

Included in charitable activities are support costs of £62,149 (2020: £65,415).

- * Negative expenditure allocated to unrestricted funds is due to the movement in the provision for pension deficit contributions payable.

7. Governance costs

	2021	2020
	£	£
Board/finance committee costs	55	1,139
Audit fees	4,562	4,380
	<u>4,617</u>	<u>5,519</u>

8. Fixed assets

	Computer Equipment £	Office Equipment £	Total £
Cost			
At beginning of year	29,006	4,168	33,174
Disposals	(25,662)	(1,432)	(27,093)
	<u>3,343</u>	<u>2,737</u>	<u>6,080</u>
At end of year	3,343	2,737	6,080
Depreciation			
At beginning of year	29,006	4,168	33,174
Charge for year	-	-	-
Disposals	(25,662)	(1,432)	(27,093)
	<u>3,343</u>	<u>2,737</u>	<u>6,080</u>
At end of year	3,343	2,737	6,080
Net book value			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

9. Debtors

	2021	2020
	£	£
Trade debtors	22,252	47,442
Prepayments and accrued income	42,574	2,139
	<u>64,826</u>	<u>49,581</u>

Notes to the financial statements (continued)

Year ended 31 March 2021

10. Creditors

	2021 £	2020 £
Trade creditors	8,978	10,777
Tax & Social Security	8,457	7,836
Accruals	8,342	10,417
Deferred income	53,524	5,000
	<u>79,301</u>	<u>34,030</u>

11. Deferred income

	2021 £	2020 £
Balance as at 1 April 2020	5,000	-
Released to income	(5,000)	-
Added to deferred income	53,524	5,000
	<u>53,524</u>	<u>5,000</u>

Deferred income as at 31 March 2021 relates to grants from Highland Highlife and Aberdeenshire Council for the period April 2021 to March 2022.

12. Unrestricted reserves

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Other recognised losses £	Closing funds £
General fund	156,358	58,698	(8,067)	6,921	(1,449)	212,461
Dr Ethel Gray fund	9,403	-	-	-	-	9,403
	<u>165,761</u>	<u>58,698</u>	<u>(8,067)</u>	<u>6,921</u>	<u>(1,449)</u>	<u>221,864</u>

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Other recognised Gains £	Closing funds £
General fund	158,302	18,666	(3,362)	(18,610)	1,362	156,358
Dr Ethel Gray fund	9,431	-	(28)	-	-	9,403
Total 2019	<u>167,733</u>	<u>18,666</u>	<u>(3,390)</u>	<u>(18,610)</u>	<u>1,362</u>	<u>165,761</u>

The Dr Ethel Gray fund is legacy from a former patron. This funds the Volunteer of the Year Award.

Notes to the financial statements (continued)

Year ended 31 March 2021

13. Restricted reserves

	Opening funds	Incoming resources	Outgoing resources	Transfers	Closing funds
	£	£	£	£	£
Aberdeenshire AEA	-	27,438	(26,243)	-	1,195
Aberdeenshire ALP	-	14,203	(15,063)	860	-
Agnes Hunter	-	28,933	(8,696)	-	20,237
Core Funding (Head office)	-	142,500	(142,446)	(54)	-
Covid 19	-	23,163	(23,163)	-	-
Cyber Resilience 2021	-	10,140	(9,506)	-	634
Cyber Resilience Alternative Format	-	20,000	(19,495)	-	505
Dundee	-	30,396	(30,396)	-	-
Fife Combined Project	7,538	77,381	(72,333)	-	12,586
Highland Employability	-	51,115	(46,161)	(4,954)	-
Moray	7,875	5,000	(11,689)	(1,186)	-
North Lanarkshire	-	24,005	(24,292)	287	-
Perth & Kinross	3,939	44,000	(40,711)	-	7,228
Perth Digital	1,552	-	-	-	1,552
Remake	-	4,000	(3,353)	(647)	-
Restricted donations	4,078	65,616	(7,797)	-	61,897
SCVO Digital	2,889	2,357	(5,769)	523	-
SUSE-PSP	-	2,500	(750)	(1,750)	-
YPG Aberdeenshire	-	8,087	(2,373)	-	5,714
	<u>27,871</u>	<u>580,834</u>	<u>(490,236)</u>	<u>(6,921)</u>	<u>111,548</u>

	Opening funds	Incoming resources	Outgoing resources	Transfers	Closing funds
	£	£	£	£	£
Scottish Government - core	-	142,500	(157,540)	15,040	-
Fife	7,384	18,226	(25,187)	-	423
North Lanarkshire	1,235	26,972	(28,793)	586	-
Dundee	163	30,396	(30,565)	6	-
Moray	6,303	20,000	18,428	-	7,875
Fife Befriending	8,801	33,258	(39,176)	-	2,883
Perth Digital	6,552	-	(5,000)	-	1,552
Adult learning in Highlands	7,388	8,385	(20,682)	4,909	-
Aberdeenshire Adult Literacy Partnership	-	24,000	(26,319)	11	-
Aberdeenshire Activity Agreements	1,092	31,000	(32,115)	23	-
Thinking Digital Perth	530	-	-	(530)	-
Thinking Digital Aberdeen City	3,026	-	(3,556)	530	-
SCVO Digital	-	7,070	(4,181)	-	2,889
Perth & Kinross	5,544	44,000	(48,169)	-	1,375
Restricted Donations	8,120	4,903	(8,945)	-	4,078
Perth Tech for Change	2,564	-	-	-	2,564
Cyber Resilience Project	-	10,804	(10,579)	(225)	-
Fife Young Carers	-	25,897	(21,665)	-	4,232
Digital Progression North	-	81,001	(85,639)	4,638	-
PKAVS	-	5,950	(780)	(5,170)	-
Remploy	-	2,400	(1,192)	(1,208)	-
	<u>61,010</u>	<u>516,762</u>	<u>(568,511)</u>	<u>18,610</u>	<u>27,871</u>

Notes to the financial statements *(continued)*
Year ended 31 March 2021

13. Restricted reserves *(continued)*

Transfers

Transfers have been made from unrestricted funds where deficits have arisen on restricted funds. Transfers to unrestricted funds from surplus on fixed price contracts

Restricted Funds – detail of awards and restrictions on use

Scottish Government Children and Young People Early Intervention, Adult Learning and Effective Communities Fund administered by the Corra Foundation (core funding) – 68% contribution towards infrastructure and core support costs of the organisation including running the helpline.

Scottish Government Covid 19 project – funding to extend our befriending services across learning projects in the first Covid lockdown for socially isolated learners and to deliver remote digital learning short courses across Scotland.

Scottish Government Cyber Resilience Project – funding to deliver cyber resilience learning opportunities across Scotland

Scottish Government Cyber Resilience Alternative Formats Project – funding to commission the production of cyber resilience messages in alternative formats, to set up and support an advisory group and undertake a detailed survey of partners work in this area to understand the needs and gaps

Aberdeenshire Council – funding for the delivery of adult learning services in Aberdeenshire.

Aberdeenshire Council – funding to aid the progression of young people in Aberdeenshire in their transition from school, via Aberdeenshire Employability Agreements

Aberdeenshire Council – funding for an Employability Project to support young people with learning and employability service

Agnes Hunter Trust – funding for the delivery of adult learning services. The Stafford Trust and Meikle Foundation provided match funding for this project.

National Third Sector Fund administered by the National Third Sector Fund – funding for the delivery of Lead's learning services in Highland and Moray. Highlife Highland, the Hugh Fraser Foundation and Community Co-op Fund provided match funding for project costs.

North Lanarkshire Council – funding for the delivery of Lead's services in North Lanarkshire.

Dundee Council – funding for the delivery of Lead's learning services in Dundee. The Leng Trust and Alexander Moncur Trust provided match funding for project costs.

Fife Council Health and Social Care Partnership - funding for the delivery of one Learning project and two Befriending services in Fife. The Co-operative Community Fund, New Park Educational Trust and Bauer's Radio Cash 4 Kids provided funding for extra staff hours and befriending activities.

Robertson Trust – funding for the delivery of adult learning services in Moray. The Wm Mann Foundation and Ina Baxter Foundation match funded this project.

Perth & Kinross Council – funding for the delivery of Lead's digital services in Perth & Kinross. The ASDA Foundation provided additional funding support for this project.

Notes to the financial statements *(continued)*
Year ended 31 March 2021

SUSE – funding to deliver a digital skills programme about online accessibility for employers seeking to recruit and retain disabled employees

Remake – funding for the delivery of a digital learning skills project in Perth and Kinross

Thinking Digitally – Inclusion Scotland - funding to deliver Thinking Digitally to Inclusion Scotland Project participants

SCVO Digital - funding to create a digital skills course which was co-produced with disabled people and with technical support from the Open University. IT is now published on the OpenLearnCreate website.

Other Restricted Donations – Tesco Bags for Help provided funding for the purchase of IT equipment in Aberdeenshire. Tesco's Covid19 fund supported the development and delivery of Volunteer Training opportunities in Fife, Highland, Moray, North Lanarkshire and Perth.

14. Analysis of net assets between funds

	Restricted	Unrestricted	2021	2020
	£	£	£	£
Balance at 31 March 2021 represented by;				
Tangible assets	-	-	-	-
Net current assets	111,548	264,247	375,795	243,850
Provisions for liabilities	-	(42,383)	(42,383)	(50,218)
	<u>111,548</u>	<u>221,864</u>	<u>333,412</u>	<u>193,632</u>

	Restricted	Unrestricted	2020	2019
	£	£	£	£
Balance at 31 March 2020 represented by;				
Tangible assets	-	-	-	-
Net current assets	27,871	215,979	243,850	289,662
Provisions for liabilities	-	(50,218)	(50,218)	(60,919)
	<u>27,871</u>	<u>165,761</u>	<u>193,632</u>	<u>228,743</u>

Notes to the financial statements *(continued)*
Year ended 31 March 2021

15. Leasing commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	Buildings	Buildings
	£	£
Not later than one year	450	450
	<u>450</u>	<u>450</u>
Lease payments recognised as expense in year	5,520	13,488
	<u>5,520</u>	<u>13,488</u>

16. Provisions for liabilities and charges

Defined benefits pension scheme net present value of deficit contributions payable:

	2021	2020
	£	£
Provision at start of period	50,218	60,919
Unwinding of the discount factor (interest expense)	1,129	771
Deficit contribution paid	(10,143)	(10,110)
Remeasurements – impact of any change in assumptions	1,449	(1,362)
	<u>42,383</u>	<u>50,218</u>

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out on 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Notes to the financial statements *(continued)*
Year ended 31 March 2021

16. Provision for liabilities and charges *(continued)*

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	31 March 2020 (£s)	31 March 2019 (£s)	31 March 2018 (£s)
Present value of provision	42,383	50,218	60,919

Income and expenditure impact	Period ending 31 March 2021 £	Period ending 31 March 2020 £
Interest expense	1,129	771
Remeasurements – impact of any change in assumptions	1,449	(1,362)
Remeasurements – amendments to the contribution schedule	-	-

Notes to the financial statements (continued)
Year ended 31 March 2021

16. Provision for liabilities and charges (continued)

Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Deficits contributions schedule

Year ending	31 March 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Year 1	10,725	10,413	10,110
Year 2	11,047	10,725	10,413
Year 3	11,378	11,047	10,725
Year 4	9,767	11,378	11,047
Year 5		9,767	11,378
Year 6		-	9,767
Year 7		-	-
Year 8		-	-
Year 9		-	
Year 10		-	

The Growth Plan is a “last man standing” multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2017 the total deficit calculated on the buy-out basis was £187.2m.

Lead Scotland has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan on 30 September 2017. As of this date the estimated employer debt for Lead Scotland was £164,831. It is not the trustees’ intention to crystallise this liability.

At the year-end there were outstanding contributions to the Scheme of £0 (2020: £0).

As a replacement to the above scheme the charity has set up a group personal pension scheme administered by The Pensions Trust. Total employer contributions in the year are £15,791 (2020: £15,791) and at the year there were outstanding contributions to the scheme of £0 (2020 £0).