

Lead Scotland
Report and audited financial statements
For the year ended 31st March 2023

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

Contents

	Pages
Reference and administrative details	1
Board of Directors' report	2-13
Report of the auditor to the trustees and members	14-16
Statement of financial activities and income and expenditure account	17
Balance sheet	18
Statement of cash flow	19
Notes to the accounts	20-32

Reference and administrative details

Charity name	Lead Scotland
Registered company number	SC110186
Registered charity number	SC003949
Trustees	<p>Paul Smith (Chair & Acting Treasurer)</p> <p>Tricia Illsley (Vice Chair)</p> <p>Colin Anderson</p> <p>Andrew McMahon (retired 15/11/2022)</p> <p>Sandra Wilson (retired 15/11/2022)</p> <p>Senga Armstrong</p> <p>Kirsty Gemmell</p> <p>Gillian Brown</p> <p>Rebecca Pierce</p> <p>Daniel Baigrie</p> <p>Carolyne Smith</p> <p>Jade O'Neil (appointed 15/11/2022)</p> <p>Chris McKenzie (appointed 1/3/2023)</p>
Company secretary	Colin Anderson
Registered office	<p>Studio 1.09, St Margarets House</p> <p>151 London Road</p> <p>Edinburgh</p> <p>EH7 6AE</p>
Senior staff	<p>Emma Whitelock, Chief Executive Officer</p> <p>Sarah Burton, Business Manager & Depute CEO</p> <p>Doreen O'Donnell, Finance & Operations Manager</p>
Auditors	<p>Henderson Loggie LLP</p> <p>Ground Floor, 11-15 Thistle Street</p> <p>Edinburgh</p> <p>EH2 1DF</p>
Bankers	<p>Co-operative Bank</p> <p>1 Balloon Street</p> <p>Manchester</p> <p>M60 4EP</p>
Solicitors	<p>Lindsays WS</p> <p>Caledonian Exchange</p> <p>19A Canning Street</p> <p>Edinburgh</p> <p>EH3 8HE</p>

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 2023.

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 and Compliance, 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) were:

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

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.

Overall, we performed well against our four strategic objectives in the third and final year of our 2020-2023 strategic plan. We have been agile and have worked hard to continue a position of incremental growth to meet the increased demand for learning and befriending services. We are immensely grateful to all our funders who support us to deliver services across Scotland. More detailed information about our strategic performance is given below.

Strategic Objective Performance 2022-23

Strategic Objective 1 target: Increase the number of people engaged and progressing in our learning & befriending services per year to 1000 by 2023. Overall, we reached 876 learners and befriendees directly and an evidenced conservative estimate of 1152 people indirectly via train the trainer reach. Whilst we didn't achieve our direct reach target, we extended our reach indirectly via partners and supporters.

Trend information over the 3 years of this strategic plan:

Service type	2020-21 number of people	2022-22 Number of people	22-23 Number of people	Comment on trend from CEO
Local community-based adult learning projects	330	307	474	44% increase in the number of locally based learning and employability projects. Project we will sustain or slightly grow this number of people in 23-24.
National online learning services across 32 local authority areas	981	591	356 (indirectly reach at least 1152 people)	2020-21 spike during pandemic, high demand for online training. In 22-23 lower number but we delivered more train the trainer sessions about online accessibility and cyber security with onward reach and we built a new online platform. Projected target of 500 in 23-24
2 Befriending Projects in Fife	85	79	46	Change of staff and targets in 22-23, anticipate to rise in 23-24
Total number of learners/befriendees	1,396	977	876	Direct reach less, but greater indirect reach.

Board of directors' report *(continued)*

Examples of Service Impact

- **Aberdeenshire Employability Agreement:** Learners on this project are difficult to engage and are tracked up to 12 months after they move on. Nearly 70% of learners tracked have sustained college courses, volunteering placements, new jobs and added outcomes like independently traveling, seeking own tenancies and improving their wellbeing.
- **Cyber Project:** Survey feedback from 16 people, 15 of whom have plans to share the information with others, 100% felt more confident after training, 100% would recommend training, "Thank you- very clear and easy to understand trainer. Useful using a jamboard rather than screensharing a powerpoint. Lots of free webinars/training sessions are just stating the obvious and as not as worth your time as hoped, but this one was very useful. Just pitched at the right level- not too complex or too simple".
- **Perth Digital Skills project:** 102 learners, 96% reported increased digital skills after engaging with the service, 87% reported increased confidence, 96% reported they have learned new digital skills that they will keep using, 99% reported that their experience of learning has been positive.
- **Fife Adult Befriending:** "The whole experience has been really worthwhile. She's really helped in times of despair, and I felt supported by Lead. It's been a real lifeline and that's not an exaggeration. To have a befriending service when you're so isolated helped empower me to keep going. It's very good to have a befriending service, especially for isolation because everyone should have someone to talk, people should really take advantage of it." (Fife Befriender)

Evolving our learning service model

Before the pandemic almost all our learning services were face to face, one to one with 54% of learners

receiving at least one home visit. During the pandemic our learning services were remotely delivered, mostly one to one and in small groups. We offer targeted services for disabled people and unpaid carers, 17% of our volunteers and 30% of our staff identified as disabled. We took a cautious approach to opening 'in person' services and in particular home visits to prevent disease transmission because of the higher risk of harm experienced by disabled people and carers. By the end of the 2020-23 strategic plan our local learning services have settled on a hybrid model requested by a majority of learners, volunteers and staff. Staff comment, *"It has been done in consultation with the staff and key stakeholders and in line with the Government advice, which is good. I felt that wellbeing was very much at the front of decisions being made"*.

Strategic Objective 2 target: Increase the number of disabled people and carers actively participating within communities per year to 200 people. We supported 160 people to actively participate in their communities, short of our target but up from 130 last year.

In addition to the 150 people from our learning services who participated in their communities as active citizens we ran two co-production projects recruiting and paying 10 disabled people for their time. One group produced a guide to Community based Adult Learning which was translated into Easy Read, British Sign Language and six community languages. This work takes forward the spirit and letter of the Adult Learning Strategy for Scotland, by widening access to community-based adult learning. The second group wrote a brand-new guide for disabled students who are preparing for a needs assessment at further and higher education. The group identified this gap and used their lived experience to produce this useful guide. It was translated into Easy Read and British Sign Language.

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 proudly supporting Lead through raising awareness and fundraising amplifying the work of the North Lanarkshire project. This year Friends of Lead had funding success with a Tesco Community Grant to buy IT equipment for the North Lanarkshire project. The Directors are very appreciative of their support and commitment.

Board of directors' report *(continued)*

Strategic Objective 3 target: Extend our learning and helpline services across Scotland across 32 local authority areas.

We recorded direct cross at least 29 local authority areas between our learning and helpline opportunities this year. Whilst this is 9% down on our final target (3 local authorities) this is significant reach beyond the 9 local authority areas where we have locally based services and significant reach for the two staff who have a national remit. Last year we engaged participants from all 32 local authorities, therefore we continue to aspire to have Scotland-wide direct and indirect reach.

During the lifetime of this three-year strategic plan, we stepped more fully into the online learning market to deliver short courses about digital accessibility and cyber security, making people aware of cyber risks and how to manage them. We are working in partnership with the National Cyber Security Centre, translating their key messages into alternative formats. Over the last three years our Cyber Project hosted 102 webinars (mostly small groups), attended by a total of 1517 participants including disabled people, carers, practitioners and others. Surveys showed that many attendees had attended the sessions to build their knowledge before cascading to a further 2250 people across all 32 local authorities (e.g because they run a group, or CLD class for example).

A key achievement in financial this year has been the development of our new, accessible online learning platform, www.my.lead.org.uk. We are incredibly grateful to the Force for Good team at JP Morgan and Chase who dedicated their time and expertise to build the platform <https://my.lead.org.uk> with low oncosts so that we can upload courses ourselves.

Lead Scotland is proud to have been one of seven organisations who piloted and achieved the new Digital CLD Award.

441 calls from 141 callers, up from 206 calls from 114 people the previous year, a significant increase given that our level of resource has not changed. 94% of callers surveyed report at least one positive impact from the service (16% response rate to survey): "Rebecca has been very kind, helpful and informative. I'm grateful for the support I've been given, which has given me the confidence to pursue the issue with my university and work towards a resolution, which is still underway".

Strategic Objective 4 target: Increase our unrestricted funding, annual target £60,000. The Engagement and Fundraising Committee supported and monitored the ambition in our Fundraising plan.

The Board approves an unbalanced budget so that we can monitor the risk. The Chief Executive Officer, Managers, and Engagement & Fundraising Officer have worked efficiently as a team for a third year using our new fundraising tactical approach, applying for funding in a targeted way to support projects which have and national unrestricted income to contribute to the core.

Income levels sustained: We have seen a 11% increase in our total income overall, which is a very good performance and trend information since 2015-16 shows that we have sustained a position of incremental growth. We are incredibly grateful to our new and existing funders highlighted in this report. We continue to be dependent on the Scottish Government and local authorities, however they are more likely to lead to repeat contracts and we are working in partnership to effectively support people.

Policy Work: Our strongest positioning continues to be as specialist provider of post school learning services however our work makes a positive difference to other 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, child poverty, the further and higher education widening access agenda, digital participation, cyber resilience, halving the 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. We encourage disabled people to directly have a say as well as informing our policy responses. Some examples of policy work this year:

Board of directors' report *(continued)*

1. Scottish Government Adult Learning Strategy – launched May 2022, Lead Scotland staff and learners have been integrally involved since the start of the strategy development including participation on the writing group advocating for rights, entitlements, and support for disabled learners. At the launch of the strategy we delivered a presentation on using Equality Impact Assessments.
2. Our Senior Policy and Information Officer and a disabled graduate continue to work with Universities Scotland and Advance HE to make admissions fairer.
3. The Scottish Funding Council have now created a new National Equality Outcome, "Disabled students report feeling satisfied with the overall support and reasonable adjustments received, including from teaching staff, while on their course". This outcome was a direct impact of our input, using the experiences of 192 disabled students.
4. We organised a focus group and questions to feed into the National discussion on education. In particular, parents argued that education should be delivered according to learning levels and not by age, have less focus on academia and aim to develop all children's understanding of additional support needs to make them more inclusive and empathetic classmates.
5. We gave oral evidence to the Education Committee at their request further to our written response about the Transition Bill. In this iteration of the bill, we drew attention to the financial memorandum and the proposed implementation costs, and highlighted concerns around the proposed beneficiaries of the legislation. In our view the bill will not address the lack of services available for young disabled people to move onto after school.
6. The Scottish Government and Students Award Agency Scotland (SAAS) have published a new report on Disability Related Student Support. We were responsible for instigating the review in the first place when we implored senior civil servants to review the way financial support is delivered to disabled students, following failure to include scrutiny of this in their wider review of Student Financial Support back in 2017.
7. We have been invited to be part of a new research group, topic: "Student Income and Expenditure Survey (SEIS). This work revisits research that was carried out almost a decade ago and follows in the footsteps of other UK nations. The intention is to understand students' experiences and perceptions of their financial circumstances to help drive improvements and recommend policy changes.

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. One example: Co-facilitation of a presentation at the Higher Education QAA Enhancement Conference 2022: Resilient Learning Communities - Inclusive, Flexible and Accessible. Topic was, 'Removing Disabling Barriers in Education'.

The importance of Lead's Volunteers

We are very grateful to have had the support of 132 dedicated volunteers in 22-23, down from 174 volunteers in 2021-22 (24% decrease). The way we recruit, involve, train support and retain

volunteers is evolving. At a macro level there are new challenges: less people are volunteering in Scotland, more organisations are looking for volunteers. Some applicants and existing volunteers have stopped volunteering because they have secured more paid hours, some existing volunteers have reduced flexibility or availability due to work commitments.

Overall, our trend information suggests that we will likely seek to increase the number of volunteer befrienders to support our new strategic plan (every befriender has a volunteer) and it is likely that the number of volunteers supporting learning projects will either remain the same or reduce because Learning Coordinators are more involved in the direct delivery of learning opportunities. We are offering more paid roles seeking disabled people for short term temporary work as part of our commitment to close the disability employment gap.

Our new strategic plan has a focus on volunteer management, training and support to respond to the changing shape of volunteering at Lead.

Board of directors' report *(continued)*

We undertook a Volunteer Impact Survey in June 2022. Some highlights:

- 100% of all 24 responses said they “were able to undertake a volunteer opportunity which matched their needs and motivations for getting involved with Lead”
- 78% were very satisfied and 22% somewhat satisfied volunteering with Lead
- 22 volunteers (92%) said yes they had enough support in their role, 2 volunteers (8%) said no
- 75% said they gained meeting new people from volunteering
- 9 (60%) of volunteers felt volunteering with Lead led to them pursuing other opportunities or becoming more involved in their community

“I’ve felt like I’ve given something back, and yes it gives me a bit of a buzz that he tells me he’s benefitting from it and enjoying our talks and I know it’s genuine because he wants to keep in contact, so I know I’m doing some good. There’s satisfaction in knowing I’ve been of help to someone.” – Volunteer Befriender.

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. 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 during the next few years, considering the challenging external financial climate, continuing impacts arising from the pandemic and increasing cyber threats.

The main risks to the charity going forward:

- Increased expenditure and slow economic recovery in the short, medium, and long term affect levels of national and local government spending.
- Lack of clarity about the impact of Education Reform on Third Sector Adult Learning Providers
- Decreased levels of Trust funding, tighter restrictions after stepping up with Covid-19 emergency funding.
- Higher interest rate and increased competition for funds.
- Lack of sustainable funding for activities, or significant cuts to funding projects.
- Heightened 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 multiple directorates 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 strategic and tactical grant funding and diversify our funding streams to match fund projects and mitigate shortfalls.
- Raise our profile with a new website to engage donors and supporters.
- Seeking project expansion opportunities within areas where we already have strong partnerships.
- Capitalise on our ability to offer remote learning services across Scotland.
- 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. We have a close working relationship with Cyber and Fraud Scotland
- The Board and Board Committees work closely with the Senior Management team to 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 May 2023. Safeguarding training is taken up by all staff and volunteers as part of their induction and continuing professional learning.

Board of directors' report *(continued)*

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 Senior Management Team 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.

Financial review

The Scottish Government Children and Families Team contributes to our core costs via the Children, Young People and Families Early Intervention Fund and Adult Learning and Empowering Communities Fund administered by the Corra Foundation. The fund has been extended to 31 March 2025. This is our critical funding source; we are incredibly grateful for their continued support. We received project funding from the Scottish Government Cyber Resilience Unit to deliver a programme of cyber security sessions, translating key messages into a range of formats supporting people to be safe and secure online.

Our income grew by 11% in 2022-23 compared with the previous year and our application conversion rate to funded project remains very high. The service base saw more increases than decreases across our delivery areas as you can see from the rise in charitable activities. Despite the considerable funding challenges that Lead faces we continue to make good progress because our services are impactful. The audited accounts show accumulated reserves of £275,667 unrestricted income, maintaining our reserves at a level of 5 months running costs. 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.

Principal funding sources in 2023-24 include our valued Local Authority partners in Aberdeenshire, Highland, Fife, Perth and Kinross, North Lanarkshire and Dundee via a range of diverse departments within Adult Literacy Partnerships, Community Planning Partnerships, Tenant Participation Project, Health and Social Care Partnerships and others. We gratefully received restricted income from Dundee Carers, Bank of Scotland, Walter Craig, One Stop Community, Inchyre Trust, Meikle Foundation and the Tides Foundation to support projects.

We value our continuing relationship and repeat donations from the Hugh and Mary Miller Bequest and other donations received from individuals to support our work. We gratefully received unrestricted income from Garfield Weston and Movement for Good.

The Board of Directors can confirm that there was sufficient funding available to Lead during 22/23 to deliver our full programme of services. We have plans to continue to utilise our restricted funding sources in 2023-24 to deliver 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.

Board of directors' report *(continued)*

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 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.

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 £275,667 which represents 5 months running costs.

General Fund

The General Fund represents the free reserves of Lead Scotland. During the year this fund increased to £275,667 (note 12).

Designated funds

Designated funds have remained at £9,403 (note 12). The Board plans to review the purpose of our designated funds in 2023-24.

Restricted funds

Restricted funds have increased from £160,121 to £219,358 (note 13). We have plans to utilise our restricted funds to deliver services.

We have worked hard to maintain our unrestricted reserves this year stabilising our financial position and our resilience against the risk of insecure and short-term funding. We are incredibly grateful to all of our funders and we appreciate the range of pressures they are facing too.

Our key challenges continue as before, the sources of funding (Scottish Government and local authorities) that we are most dependent upon are almost all available on an annual or part year basis not guaranteed multiyear funding cycles. Late decisions create financial and resource risks, project staff on fixed term contracts are understandably seeking secure employment opportunities.

Our reserves provide a temporary buffer against late decisions, reductions in grant levels and they give us the confidence to quickly move on match funded opportunities for frontline services. As well as sustaining successful projects we are continuing with our ambition to incrementally grow therefore we will to sustain a higher level of reserves to match the increase in running costs.

Board of directors' report *(continued)*

Future developments

We are entering the first year of our 2023-26 Strategic plan. Our vision for this strategy is informed by the changing needs and demands of the people we support and by understanding the complex external environment within which we live, work and volunteer. Underpinning a plan for growth is the need to consolidate our core and organisational structure. We have four strategic goals with associated objectives, plans and success measures which the Board will monitor:

- Offer more local and remote learning opportunities, which improve access, offer accreditation, build confidence and skills, reducing educational exclusion.
- Extend our befriending services to reduce social isolation and create new pathways to learning.
- Extend our disabled student's helpline and information services so that more students understand their rights, entitlements and make informed choices about their options.
- More disabled people have the opportunity to influence policy makers, breaking down systemic barriers to improve access for future learners.

Some new areas of work for 23-24:

- **Improve qualification profiles:** expand the range of accreditation options via our SQA Centre adding value to statutory provision to ensure no one is left behind.
- **Close the disability employment gap:** increase the number of employability projects we deliver. Seek income which allows us to pay disabled people to support our learning and helpline services.
- **Build our core capacity:** proportionately increase core and manager staff levels to support our larger team and the increased number of contracts.
- **Reduce social isolation and loneliness:** Sustain our new befriending projects and explore the market for befriending within areas where we already have a local presence in response to learner need.
- **Raise the profile of our web based learning, helpline and information services:** Modernise our main website, market our new online learning platform to deliver accessible courses across Scotland.
- **Improve equity and excellence in Adult Learning:** The Scottish Government are leading the country through a period of educational reform. At a strategic level we will continue to seek opportunities for learners and our intelligence to influence the planned transformations. We will seek clarity about the governance and implementation arrangements for the Adult Learning Strategy for Scotland in light of the proposed reforms. At an operational level we will continue to improve the accessibility and availability of community-based adult learning across Scotland leading to positive outcomes.
- **Professional Learning:** Continue to strengthen the professional identity of our staff and volunteer team through learning and mentoring opportunities such as the take up of OU Microcredentials, CLD competency based training and accredited assessors/internal verifiers.

Statement of Directors' responsibilities

The Directors (who are also trustees of Lead Scotland 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. Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Board of directors' report *(continued)*

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

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.

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

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

Approved by the Board of Directors on 15 August 2023
Signed on behalf of the Board:



Director
Treasurer

Independent auditor's report to the members and trustees of Lead Scotland

Opinion

We have audited the financial statements of Lead Scotland (the 'charitable company') for the year ended 31 March 2023 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, 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis 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 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' (who are also the directors of the charitable company for the purpose of company law) 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Independent auditor's report to the members and trustees of Lead Scotland (*continued*)

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 our audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, which includes the Directors' 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

Independent auditor's report to the members and trustees of Lead Scotland (*continued*)

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following areas were most likely to have a material impact on the financial statements: employment law, and compliance with charity law and the UK Companies Act;
- We considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiring of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading relevant correspondence with regulators including OSCR;
- Reviewing board and sub-committee meeting minutes;
- Challenging assumptions and judgements made by management in significant accounting estimates, in particular in relation to valuation of investment properties, items accounted for at fair value and the pension valuation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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 recognize the non-compliance.

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

Independent auditor's report to the members and trustees of Lead Scotland (*continued*)

Use of our report

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

Henderson Loggie LLP

Keith Macpherson (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

11-15 Thistle Street
Edinburgh
EH2 1DF

5 September 2023

Statement of financial activities, incorporating the income and expenditure account

Year ended 31 March 2023

	Notes	Restricted funds £	Designated funds £	Unrestricted funds £	Total 2023 £	Total 2022 £
Income from:						
Donations and legacies	2	8,000	-	15,878	23,878	26,623
Other trading activities	2	-	-	300	300	4,700
Investment income	2	-	-	1,678	1,678	455
Income from charitable activities	3	683,147	-	-	683,147	592,727
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income		<u>691,147</u>	<u>-</u>	<u>17,855</u>	<u>709,002</u>	<u>624,505</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditure on:						
Raising funds	5	-	-	-	-	6,626
Charitable activities	6	632,208	-	(3,580)	628,628	527,652
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditure		<u>632,208</u>	<u>-</u>	<u>(3,580)</u>	<u>628,628</u>	<u>534,278</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure)		<u>58,939</u>	<u>-</u>	<u>21,435</u>	<u>80,374</u>	<u>90,227</u>
Transfers	1 3	299	-	(299)	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pensions scheme	1 6	-	-	177	177	238
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>59,238</u>	<u>-</u>	<u>21,313</u>	<u>80,551</u>	<u>90,465</u>
Fund balances brought forward at 1 April 2022		<u>160,121</u>	<u>9,403</u>	<u>254,353</u>	<u>423,877</u>	<u>333,412</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances carried forward at 31 March 2023		<u>219,359</u>	<u>9,403</u>	<u>275,666</u>	<u>504,428</u>	<u>423,877</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There were no recognised gains or losses other than those included in the statement of financial activities, incorporating the 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 2023

	Note	2023	2023	2022	2022
	s	£	£	£	£
Fixed assets	8	-			-
Current assets					
Debtors	9	31,773		18,662	
Cash at bank and in hand		539,341		468,699	
		<u>571,113</u>		<u>487,361</u>	
Creditors: amounts falling due within one year	10	(60,077)		(53,118)	
Net current assets			<u>511,037</u>		<u>434,243</u>
Total assets less current liabilities			<u>511,037</u>		<u>434,243</u>
Provisions for liabilities and charges	16		(6,609)		(10,366)
Net assets			<u><u>504,428</u></u>		<u><u>423,877</u></u>
Represented by					
Unrestricted General Fund	12		275,666		254,353
Unrestricted Designated funds	12		9,403		9,403
Restricted funds	13		219,359		160,121
Total funds			<u><u>504,428</u></u>		<u><u>423,877</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 and authorised for issue by the board of directors on 15 August 2023 and were signed by:



Chair & Acting Treasurer



Vice-Chair

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 2023

	2023 £	2022 £
Cash flow from operating activities		
Net income/(expenditure)	80,374	90,227
Interest income	(1,678)	(455)
(Increase)/decrease in debtors	(13,111)	46,164
(Decrease)/increase in creditors	6,959	(26,183)
(Decrease) in defined benefit pension provision	(3,580)	(31,779)
Cash provided by/(used in) operations	<u>68,964</u>	<u>77,974</u>
Cash flow from investing activities		
Interest income	1,678	455
Cash provided by investing activities	<u>1,678</u>	<u>455</u>
Net increase/(decrease) in cash and cash	<u>70,642</u>	<u>78,429</u>
Cash and cash equivalents at beginning of period	468,699	390,270
Cash and cash equivalents at end of period	<u>539,341</u>	<u>468,699</u>
Analysis of cash and cash equivalents		
Cash at bank	539,341	468,699
	<u>539,341</u>	<u>468,699</u>

Notes to the financial statements
Year ended 31 March 2023

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 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 2023 (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 £1,000 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 2023

Taxation

The charitable company is registered with HMRC as a charity for tax purposes. It is considered that no liability to corporation tax will arise as all income is applied to the charitable purposes of the charitable company

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 2023

2. Analysis of income

	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Total 2022 £
Donations and legacies:				
Hugh and Mary Miller bequest	-	3,850	3,850	3,850
Tesco Bags of Help				1,000
Co-op Community Fund		-		4,428
Baillie Gifford	-	-	-	5,000
Leng Trust	-	-	-	1,500
Cairncross Trust		-		1,995
Arnold Clark		-		1,000
SJTCT		-		1,000
User Testing	-			3,571
Persimmon		-		1,000
Walter Craig	1,000		1,000	
One Stop Community	1,000		1,000	
Inchyre Trust	1,000		1,000	
Nimar	3,000		3,000	
Movement for Good		1,000	1,000	
Garfield Weston		10,000	10,000	
Meikle Foundation	2,000		2,000	
Other smaller donations		1,028	1,028	2,279
Total voluntary income	8,000	15,878	23,878	26,623
Consultancy Income	-	300	300	4,700
Bank interest	-	1,678	1,678	455
Total	8,000	17,855	25,855	31,778

	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Donations and legacies	11,973	14,650	26,623
Other trading activities	-	4,700	4,700
Investment income	-	455	455
Total 2022	11,973	19,805	31,778

Notes to the financial statements (continued)
Year ended 31 March 2023

3. Income from charitable activities

	Restricted £	Unrestricted £	Total 2023 £	Total 2022 £
<i>Income from Scottish Government</i>				
Core grant	149,625	-	149,625	142,500
Build Back Digital Project		-	-	25,406
Cyber Resilience Project		-	-	15,788
Cyber Resilience Project - Alternative Formats	64,977	-	64,977	5,860
CBAL		-	-	38,222
Total	214,602	-	214,602	227,776
<i>Income from local authorities</i>				
Aberdeenshire Council	90,419	-	90,419	91,092
Highlife Highland	10,000	-	10,000	5,000
Dundee Council	30,396	-	30,396	30,396
North Lanarkshire Council	24,294	-	24,294	26,406
Fife Council	184,789	-	184,789	78,594
Perth Council	94,000	-	94,000	44,000
Total	433,899	-	433,899	275,488
<i>Income from others</i>				
	-	-	-	-
	-	-	-	-
Tides Foundation	2,534	-	2,534	-
Agnes Hunter Trust	-	-	-	5,000
SDS	-	-	-	9,677
SCVO	2,451	-	2,451	7,354
Bank of Scotland	22,237	-	22,237	-
	-	-	-	-
VANL	-	-	-	12,000
National Lottery	-	-	-	50,996
Voluntary Action Orkney	-	-	-	2,213
Dundee Carers	7,424	-	7,424	2,223
Total	34,646	-	34,646	89,463
Total income from charitable activities 2023	683,147	-	683,147	592,727

Notes to the financial statements (continued)
Year ended 31 March 2023

4. Staff costs

	2023 £	2022 £
Salaries (including temporary staff)	483,136	414,838
Employer's NIC	36,109	28,861
Pension Contributions	20,617	16,817
	<u>539,862</u>	<u>460,516</u>

No employees received emoluments in excess of £60,000. (2022: None) Average staff numbers during the year were 21 (2022: 18). During the year travel expenses of £nil (2022: £nil) were reimbursed to no directors (2022: nil). 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, Business Development Manager and Depute CEO and Finance & Operations Manager were £138,721 (2022: £158,807). 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 £nil (2022: £2,179) to Sight & Sound, a company in which Carlyne Smith, trustee, is an employee, for specialised learner equipment.

5. Cost of raising funds

	Restricted £	Designated £	Unrestricted £	Total 2023 £	Total 2022 £
Wages and salaries	-	-			6,626
Fundraising expenses	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,626</u>
Total 2022	<u>-</u>	<u>-</u>	<u>6,626</u>		<u>6,626</u>

6. Charitable activities

	Restricted £	Designated £	Unrestricted £	Total 2023 £	Total 2022 £
Wages & salaries	539,862	-	-	539,862	453,890
Other staff costs	19,754	-	-	19,754	9,834
Property costs	10,515	-	-	10,515	9,845
Administration costs	28,722	-	*(3,580)	25,142	(5,313)
Professional costs					2,610
Meeting costs	84	-	-	84	-
Publications and subscriptions	1,748	-	-	1,748	881
Learner costs	23,603	-	-	23,603	49,060
Depreciation	-	-	-	-	-
Governance costs (note 7)	7,920	-	-	7,920	6,846
	<u>632,208</u>	<u>-</u>	<u>(3,580)</u>	<u>628,628</u>	<u>527,652</u>
Total 2023	<u>632,208</u>	<u>-</u>	<u>(3,580)</u>	<u>628,628</u>	<u>527,652</u>
Total 2022	<u>559,431</u>	<u>-</u>	<u>(31,779)</u>		<u>527,652</u>

Notes to the financial statements (continued)
Year ended 31 March 2023

Included in charitable activities are support costs of £74,592 (2022: £68,882).

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

7. Governance costs

	2023 £	2022 £
Board/finance committee costs	600	968
Audit fees	7,320	5,878
	<u>7,920</u>	<u>6,846</u>

8. Fixed assets

	Computer Equipment £	Office Equipment £	Total £
Cost			
At beginning of year	3,343	2,737	6,080
At end of year	3,343	2,737	6,080
Depreciation			
At beginning of year	3,343	2,737	6,080
At end of year	3,343	2,737	6,080
Net book value			
At 31 March 2023	-	-	-
At 31 March 2022	-	-	-

9. Debtors

	2023 £	2022 £
Trade debtors	27,848	14,823
Prepayments	3,925	3,839
	<u>31,773</u>	<u>18,662</u>

Notes to the financial statements (continued)

Year ended 31 March 2023

10. Creditors

	2023 £	2022 £
Trade creditors	18,979	38,739
Tax & Social Security	10,324	7,665
Accruals	9,114	6,714
Deferred income	21,659	-
	<u>60,077</u>	<u>53,118</u>

11. Deferred income

	2023 £	2022 £
Balance as at 1 April 2022	-	53,524
Released to income	-	(53,524)
Added to deferred income	21,659	-
	<u>21,659</u>	<u>-</u>
Balance as at 31 March 2023	<u>21,659</u>	<u>-</u>

12. Unrestricted reserves

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Other recognised gains £	Closing funds £
General fund	254,353	17,855	3,580	(299)	177	275,666
Dr Ethel Gray fund	9,403	-	-	-	-	9,403
	<u>263,756</u>	<u>17,855</u>	<u>3,580</u>	<u>(299)</u>	<u>177</u>	<u>285,069</u>

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Other recognised Gains £	Closing funds £
General fund	212,461	19,805	(25,153)	(3,304)	238	254,353
Dr Ethel Gray fund	9,403	-	-	-	-	9,403
Total 2022	<u>221,864</u>	<u>19,805</u>	<u>(25,153)</u>	<u>(3,304)</u>	<u>238</u>	<u>263,756</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 2023

13. Restricted reserves

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Closing funds £
Aberdeenshire AEA	2,155	40,740	(39,273)	-	3,622
Agnes Hunter	26,611	30,555	(33,566)	-	23,599
CBAL North Lanarkshire	225	-	-	(225)	-
CBAL Orkney	2,213	-	(2,194)	-	19
Core Funding (Head office)	-	149,625	(149,741)	116	-
Cyber Resilience 2022	634	-	-	-	634
Cyber Alternative Formats 22-23	-	64,977	(65,060)	83	-
Dundee	392	30,396	(27,792)	-	2,996
Dundee Carers	-	7,424	(7,424)	-	-
Fife Adult Carers 22-23	-	30,638	(21,465)	-	9,173
Fife Adult Befriending	7,226	36,272	(32,818)	-	10,680
Fife Learning	3,960	19,877	(19,578)	-	4,260
Fife Multiply	-	18,462	(5,365)	-	13,097
Fife Young Carers 22-23	-	51,296	(23,580)	-	27,716
Fife Young Carers	5,627	28,244	(22,977)	-	10,894
Highlife Highland	-	10,000	(1,862)	-	8,138
North Lanarkshire	2,023	24,294	(26,642)	325	-
Perth & Kinross	15,164	44,000	(31,659)	-	27,805
Perth Digital	1,552	-	-	-	1,552
Perth Tenants Digital	-	50,000	(40,471)	-	9,529
SCVO Digital	1,952	2,451	(4,403)	-	-
SPCC	24,674	-	(24,674)	-	-
YPG Aberdeenshire	3,047	43,895	(32,437)	-	14,505
Restricted donations	62,666	8,000	(19,527)	-	51,138
	<u>160,121</u>	<u>691,147</u>	<u>(632,208)</u>	<u>299</u>	<u>219,359</u>

Notes to the financial statements (continued)

Year ended 31 March 2023

	Opening funds £	Incoming resources £	Outgoing resources £	Transfers £	Closing funds £
Aberdeenshire AEA	1,195	31,000	(30,040)	-	2,155
Build Back Digital	-	25,406	(25,418)	12	-
Agnes Hunter	20,237	16,568	(10,194)	-	26,611
CBAL	-	38,222	(38,222)	-	-
CBAL North Lanarkshire	-	12,000	(11,775)	-	225
Core Funding (Head office)	-	142,500	(145,067)	2,567	-
Cyber Resilience 2022	634	-	-	-	634
Cyber Resilience Alt	505	-	-	-	-
Format 20-21	-	-	(535)	30	-
Cyber Resilience Alt	-	-	-	-	-
Format 21-22	-	21,648	(21,710)	62	-
Dundee	-	30,396	(30,004)	-	392
Fife Combined Project	12,586	78,594	(74,367)	-	16,813
Highland Employability	-	9,677	(10,310)	633	-
Highlife Highland	-	5,000	(5,000)	-	-
North Lanarkshire	-	26,406	(24,383)	-	2,023
Perth & Kinross	7,228	44,000	(36,064)	-	15,164
Perth Digital	1,552	-	-	-	1,552
Restricted donations	61,897	11,973	(11,204)	-	62,666
SCVO Digital	-	7,354	(5,402)	-	1,952
SPCC	-	50,996	(26,322)	-	24,674
CBAL Orkney	-	2,213	-	-	2,213
Dundee Carers	-	2,223	(2,223)	-	-
YPG Aberdeenshire	5,714	48,524	(51,191)	-	3,047
	<u>111,548</u>	<u>604,700</u>	<u>(559,431)</u>	<u>3,304</u>	<u>160,121</u>

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

Aberdeenshire Council AEA – funding for an Employability Activity Agreement Project to support young people with learning and employability services, 16 to 19.

Scottish Government Build Back Digital – funding to deliver digital skills courses across Scotland, supporting people to become more digitally agile, confident and skilled to work in online spaces

Agnes Hunter (Formerly Agnes Hunter Trust Project) – funding for the delivery of adult learning services in Aberdeenshire. Aberdeenshire Council – provided match funding for this project.

CBAL - funding for IT equipment for learners, supporting Highland and Moray adult learners, co-producing an options and rights guide for community based adult learners and hosting an adult learner recognition event.

Notes to the financial statements *(continued)*

Year ended 31 March 2023

CBAL North Lan – funding for specialist IT learner kit, funding for IT loan pool and to deliver learning services.

CBAL Orkney - funding for the delivery of digital skills services in Orkney

Scottish Government Children and Young People Early Intervention, Adult Learning and Effective Communities Fund administered by the Corra Foundation (core funding).

Scottish Government Cyber Resilience and Alternative Formats Projects – funding to commission the production of cyber resilience messages in alternative formats, and deliver a programme of learning opportunities and train the trainer sessions across Scotland.

Dundee Council – funding for the delivery of Lead's learning services in Dundee.

Fife Council Health and Social Care Partnership - funding for the delivery of two Learning projects and two Befriending services in Fife serving disabled people and unpaid carers.

Fife Multiply (Multiply is a ringfenced element of the UK Shared Prosperity Fund) – funding for the delivery of numeracy learning services in Fife.

Highlife Highland – funding for the delivery of strategic work in Highland to support Adult Learning.

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

Perth & Kinross Council – funding for the delivery of Lead's digital skills services in Perth & Kinross.

Perth & Kinross Council Tenants Project – funding for the delivery of a targeted digital skills service for disadvantaged Perth & Kinross Council tenants.

SCVO Digital - funding to buy IT and deliver learning sessions to people who are digitally excluded.

SPCC –funding for the delivery of a learning project in Highland and Moray.

Dundee Carers – funding for the delivery of a drop-in centre for carers to develop their digital skills.

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

Other Restricted Donations – Walter Craig to support our Dundee learning project, One Stop Community to support our learning project in North Lanarkshire, Inchyre Trust to support the core, specifically our new online learning platform, Nimar to support our Young Carers Befriending Project in Fife, Meikle Foundation for learning services in Aberdeenshire.

Notes to the financial statements (continued)
Year ended 31 March 2023

14. Analysis of net assets between funds

	Restricted £	Unrestricted £	2023 £	2022 £
Balance at 31 March 2023 represented by;				
Tangible assets	-	-	-	-
Net current assets	219,358	291,679	511,037	434,243
Provisions for liabilities	-	(6,609)	(6,609)	(10,366)
	<u>219,358</u>	<u>285,070</u>	<u>504,428</u>	<u>423,877</u>
	<u>219,358</u>	<u>285,070</u>	<u>504,428</u>	<u>423,877</u>
	Restricted £	Unrestricted £		2022 £
Balance at 31 March 2022 represented by;				
Tangible assets	-	-		-
Net current assets	160,121	274,122		434,243
Provisions for liabilities	-	(10,366)		(10,366)
	<u>160,121</u>	<u>263,756</u>		<u>333,412</u>
	<u>160,121</u>	<u>263,756</u>		<u>333,412</u>

Notes to the financial statements (continued)
Year ended 31 March 2023

15. Leasing commitments

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

	2023	2022
	Buildings	Buildings
	£	£
Not later than one year	450	450
	450	450
Lease payments recognised as expense in year	5,400	5,520

16. Provisions for liabilities and charges

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

	2023	2022
	£	£
Provision at start of period	10,366	42,383
Unwinding of the discount factor (interest expense)	197	244
Deficit contribution paid	(3,777)	(10,725)
Remeasurements – impact of any change in assumptions	(177)	(238)
Remeasurements - amendments to the contribution schedule	-	(21,298)
	6,609	10,366

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 at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2023

16. Provision for liabilities and charges (continued)

Deficit contributions

From 1 April 2023 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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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 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 asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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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 2023 (£s)	31 March 2022 (£s)	31 March 2020 (£s)
Present value of provision	6,609	10,366	42,316

Income and expenditure impact	Period ending 31 March 2023 £	Period ending 31 March 2022 £
Interest expense	197	244
Remeasurements – impact of any change in assumptions	(177)	(238)
Remeasurements – amendments to the contribution schedule	-	(21,298)
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account*	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

Notes to the financial statements (continued)
Year ended 31 March 2023

16. Provision for liabilities and charges (continued)

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2020 % per annum
Rate of discount	5.52	2.35	0.66

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 2023 (£s)	31 March 2022 (£s)	31 March 2020 (£s)
Year 1	3,777	3,777	10,725
Year 2	3,147	3,777	11,047
Year 3	-	3,147	11,378
Year 4	-	-	9,767
Year 5	-	-	-
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

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. As of 30 September 2020, the total deficit calculated on the buy-out basis was £140.7m.

Lead Scotland has been notified by TPT of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan, 30 September 2020. The estimated employer debt for Lead Scotland at 30 September 2020 was £148,947.93. It is not the trustees' intention to crystallise this liability.

At the year-end there were outstanding contributions to the Scheme of £0 (2020-21: £0).

As a replacement to the above scheme the charity has set up a group personal pension scheme administered by TPT. Total employer contributions in the year are £20,618 (2021-22: £16,817) and at the year end there were outstanding contributions to the scheme of £0 (2021-2022 £0).