

**THE WISE GROUP**

**FINANCIAL STATEMENTS**

**31 MARCH 2021**

***Company Registration Number SC091095***

***Scottish Charity Number: SC004089***

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**THE WISE GROUP  
FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

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## **THE WISE GROUP**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

#### **Board of Directors**

Stuart Patrick, Chair	(resigned 07/08/20)
Gavin Nicol, Vice Chair * & ****	
Sean Duffy, Chief Executive	
Desmond McNulty **	
Stephanie Young * & ****	(resigned 07/08/20)
Gillian Callaghan **	
Neil McLachlan *, *** & ****	(appointed Chair 07/08/20)
Hugh Carr ***	
Penelope Cooper **	
Glenn St. John – Colgan	(appointed 26/03/21)

\* People & Culture Committee Member  
\*\* Finance & Audit Committee Member  
\*\*\* Strategic Development Committee  
\*\*\*\* Remuneration Committee

#### **Key Management Personnel**

Sean Duffy, Chief Executive  
Suzanne McWilliams, People and Culture Director (appointed 01/10/20)  
Jacqueline Gourlay, Finance & Operations Director (appointed as Finance Director 01/10/20)  
Stuart McWhinnie, Business Transformation Director (resigned 28/05/21)  
Alexander Warren, Strategic Development Director  
Victoria Carson, Engagement & Policy Director

#### **Company Secretary**

Suzanne McWilliams

#### **Registered Office and Principal Address**

Studio 64, Sir James Clark Building  
Abbey Mill Business Centre  
Seedhill  
Paisley  
PA1 1TJ

#### **Auditors**

RSM UK Audit LLP  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

#### **Solicitors**

Shoosmiths (from 22/06/20)  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

#### **Bankers**

Barclay's  
Leicester  
LE87 2BB

Royal Bank of Scotland  
10 Gordon Street  
Glasgow  
G1 3PL

**THE WISE GROUP  
TRUSTEES REPORT  
YEAR ENDED 31 MARCH 2021**

The Trustees of The Wise Group, who are also the Directors, present their annual report together with the audited financial statements of the social enterprise for the year ended 31 March 2021. The trustees who served during the period covered are set out on page five.

The Wise Group, Company Registration Number SC091095/Scottish Charity Number SC004089, is a leading social enterprise. Since starting as a small training, insulation and regeneration project in Glasgow in 1984 we have grown into a multi-million-pound, purpose driven, self-sustaining social enterprise. We are a results-oriented enterprise; socially, financially, and culturally.

Today we are proud to be making a difference to people's lives. We're proud because we help people to find jobs, provide advice to people struggling to heat their homes and support people to find their feet following time in prison. Our work is varied and underlying everything we do is a passion and commitment for social justice and a fairer society for all. We are building better lives, better communities and stronger businesses.

**Objects of the Charity**

We are governed by a Memorandum and Articles of Association, which sets out our objects to:

- Relieve poverty
- Advance education and promote and/or provide training and skills of all kinds
- Preserve, conserve, restore and improve the environment
- Promote, establish, operate and/or support other projects and programmes of a charitable nature

**Our Purpose**

To lift people out of poverty and transform lives.

**Our Values**

- We go the distance, so our colleagues and customers reach a positive and sustainable future
- We are ambitious to make a real difference everyday: socially, financially, culturally
- We hurdle boundaries and innovate
- We thrive through collaboration, kindness and learning together
- We celebrate and respect individual difference

**Our Strategic Intent**

- Our primary goal is to transform people's lives by helping them reduce fuel poverty, achieve sustainable employment, and reduce offending.
- Central to achieving this is that we continue to develop a deep understanding of our customers and their journey. This is enabled by our customer centric culture across the enterprise. It means that we can deliver where it matters most, providing life changing skills, personal development and empowerment. This results in us being renowned for our exceptional customer support that transforms people's lives. Our deep understanding of customers also enables us to help more people with same resources and deliver a high social return on investment.
- Of equal importance, is that we are known for inspiring innovation and impact. This means that we can help more people with the same resources, and that we enjoy a market leading reputation.
- In combination with this, our sector leadership in stakeholder engagement and influence, results in stakeholders investing in us rather than us chasing funding. This is part of how we create shared value for all stakeholders and ensure the financial sustainability of the enterprise.

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- Our sustainability is also ensured by the way we deliver a high social return on investment and how we innovate.
- Our market leading reputation and the value we place on innovation and impact, has helped us become an employer of choice that attracts, develops, and retains exceptional talent to fuel our growth.

**Governance Structure**

The charity is governed by the Articles of Association and is a company limited by guarantee. In November 2018, The Scottish Governance Code for the Third Sector was introduced. It sets out the core principles and key elements of good governance for the boards of charities, voluntary organisations and social enterprises in Scotland and is the first code to be produced specifically for Scotland's third sector, recognising the need for the sector to have its own principles of governance. The code sets out five core principles aimed at encouraging their sector organisations to look at, and improve, their governance.

The five core principles are:

Principles	Purpose
Organisational Purpose	A well-run board is clear about the purpose and values of the organisation and how it will achieve its aims.
Leadership	A well-run board is clear about its roles and responsibilities and provides strategic direction in line with the organisations purpose, vision and values.
Board Behaviour	A well-run board, both collectively and individually, embraces and demonstrates mutual respect, integrity, openness and accountability.
Control	A well-run board will develop and implement appropriate controls to direct and oversee progress and performance of the organisation.
Effectiveness	A well-run board understands it's role, powers and duties and works collectively and proactively, to achieve it organisational purpose.

Although the code is not mandatory, the Board of The Wise Group use it as a guiding principle and as a benchmark to challenge and strengthen its governance.

During 20/21 the Board begun a process of benchmarking, discussion and defining actions to be pursued in relation to each of the five principles. In 21/22 the Board will continue to refine this process and execute on any recommended actions.

Directors have overall responsibility for providing strategic direction and ensuring good governance and participate in sessions and other events to help them understand and develop their responsibilities, accountabilities and powers which include the following:

- Corporate governance – reviewing and monitoring corporate governance, monitoring performance and effectiveness, and the Board of Directors selection processes.
- Strategy – providing strategic direction, reviewing, approving and monitoring corporate strategies and plans, reviewing and approving capital and revenue budgets and investments.
- Performance – reviewing enterprise results and monitoring internal controls.
- Audit, risk management and compliance – monitoring and reviewing the risk management processes, the risk profile and compliance with relevant standards and regulatory requirements.
- Integrity of external reporting – monitoring and reviewing the processes, controls and procedures to maintain the integrity of accounting, financial records and statements.

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- Executive review and culture – selecting and evaluating the Chief Executive, reviewing succession planning, monitoring, and influencing the Wise Group culture, reputation and ethical standards including matters of equality and diversity.

In exercising its responsibilities, the Board delegates matters to four committees and the Chief Executive.

**Board Governance**

Our Board of Directors comprises 8 trustees, including our CEO, with overall governance responsibility. Neil McLachlan is our Chair, and the Board meets quarterly and holds one AGM annually.

The Memorandum and Articles of Association detail the arrangements for the establishment of the Board of Directors:

“The maximum number of directors shall be ten, of whom no more than nine may be Non-Executive Directors and no more than one shall be the Executive Director; the minimum number of directors shall be seven”.

“At each AGM, any Non-Executive Director who has served for a period of three years shall retire from office but shall then be eligible for re-appointment as a Non-Executive Director”.

Directors are elected following an open and thorough selection process which considers skills, knowledge, experience, diversity, geographical spread and fit with the ethos and values of the organisation. At present in terms of gender balance, we have 25% female membership which is below the current FTSE 350 companies’ level of 34.3% (January 2021), and the UK third sector level of 41% (August 2020). Board recruitment will take place in 21/22 which may address this.

As part of the previously mentioned review and Board composition changes, a Board recruitment exercise will be undertaken in financial year 21/22 with new appointments to be made to bring a range of expertise, skills, and knowledge to the Wise Group. This has been delayed partly due to COVID-19 but also to allow a transition from one Chair to another to take place and to allow the incoming Chair to take time to understand the skills and expertise required to support the Enterprise.

Our comprehensive Board induction programme provides new board members with all the information and support they need to be confident and productive in their role. The aim is to help our new members understand the enterprise, the environment in which it operates, and their role in helping to make the enterprise a success.

The programme involves:

- Welcoming the new board member and introducing them to the board team and other key personnel, including the CEO and executive directors of each business unit
- An introduction to the strategic plan and financial position of the organisation
- An introduction to the governance arrangements which are in place and to the external environment in which we operate
- Meeting with key stakeholders where relevant

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The induction plan is in place before the new board member begins which is followed by induction discussion to review the key documents required by board members. More broadly, the induction period introduces the culture of the enterprise and their role and responsibilities as a board member.

A budget is set annually and submitted to the Directors for approval. In executing its duties, the Board delegates powers of authority to 4 subcommittees.

<b>Committee</b>	<b>History and Remit</b>	<b>Chair</b>	<b>Meetings</b>
Finance and Audit	Ensures effective systems of integrated governance, risk management and internal control, including: the integrity of financial reporting; internal and external audit; and compliance with accounting standards and relevant regulations.	Desmond McNulty	Quarterly
People and Culture	Strategic oversight of people issues including people planning, learning and development, equality and diversity, relations, and health and wellbeing. It establishes the principles for colleagues pay and reward policy.	Gavin Nicol	Quarterly
Strategic Development	Ensures activities align with the mission and vision and strategic priorities, and reviews and approves the strategic development strategy and decision criteria. It also reviews and recommends investments in order to expand and establish new services or markets.	Neil McLachlan	Quarterly
Remuneration	Determines the salary, terms, and conditions of service and other benefits for the CEO and Directors of the Wise Group holding contracts with executive terms and conditions in line with good governance principles.  In addition, this committee is responsible for salary benchmarking and other terms and conditions information against comparable organisations to ensure these are considered in line with market rates.	Gavin Nicol	Six-monthly

### **Operating Board**

Led by our CEO, the Operating Board comprises 5 Directors from the senior management team (key management personnel). The Operating Board provides strategic leadership and operational oversight to ensure achievement of our purpose through effective and efficient practises. The Operating Board meets biweekly and is accountable for the delivery of the strategic objectives set by the Board and its Committees.

The enterprise is broadly split into:

- Operations**

Responsible for the effective delivery of all contracts and services we deliver to our customers and is aligned around our three areas of focus: Community Justice; Energy Advice and Advocacy; and Employment Services. Due to the size and scale of our Operations, the Director is supported by two Heads of Operations to plan, execute, and manage effective delivery.

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• **Core**

These are the core enabling functions of the enterprise which comprise Strategic Growth & Development; People and Culture, including Company Secretariat, Legal and Health and Safety; Finance, IT and Assurance, Engagement and Policy, including Communications and Marketing.

**RISK MANAGEMENT**

The Wise Group has continued to manage risks associated with external change, technology, culture, colleagues and growth within the enterprise.

The Chief Executive has overall responsibility for ensuring good governance as it is integral to the Wise Group culture. He ensures the effective management of strategic and operational risks to ensure the Wise Group's sustainability and continued existence. Current key risks and high-level mitigation strategies are outlined below:

<b>Risk</b>	<b>Mitigation</b>
<b>EXTERNAL CHANGE -</b> Ability to adapt to local & national changes	<ul style="list-style-type: none"> <li>• A well-defined 5-year strategy is in place taking account of external landscape and stakeholder needs</li> <li>• Strategic planning and horizon scanning undertaken</li> <li>• Remote First operating model in place</li> </ul>
<b>TECHNOLOGY -</b> Effective Information Technology which meets the needs of the Wise Group and its stakeholders	<ul style="list-style-type: none"> <li>• Technology is a key strategic priority</li> <li>• IT infrastructure in place minimises single point of failure and increases resilience in the face of a business continuity event</li> <li>• 0365 in use across the enterprise bringing wider access to digital tools and enhanced security</li> </ul>
<b>CULTURE -</b> Ability to promote, enhance and embed the Wise Group's culture and values	<ul style="list-style-type: none"> <li>• The Wise Group's purpose and strategic priorities are defined, communicated and continually reinforced to all colleagues</li> <li>• Colleagues are empowered, involved and engaged in projects to advance strategic priorities</li> <li>• New flexible hub network has been established changing the relationship with properties</li> </ul>
<b>COLLEAGUES -</b> Ability to have in place a suitably skilled, trained, diverse and motivated workforce that is well supported physically and mentally	<ul style="list-style-type: none"> <li>• Investment in and relentless focus on colleague wellbeing</li> <li>• Our 'Remote First' operating model giving colleagues freedom and flexibility to work in a way which suits them to achieve their objectives</li> <li>• Regular review of colleague benefits to ensure they are competitive within the sector to attract skilled and experienced applicants and retain talent</li> </ul>
<b>GROWTH -</b> Ability to grow enterprise sustainably	<ul style="list-style-type: none"> <li>• Develop adequate pipeline management strategy and invest resource in filling pipeline with new opportunities</li> <li>• Invest appropriately in skills (internal/external) to produce high quality bids</li> <li>• Meet KPIs on existing contracts to improve chance of re-tender</li> </ul>

Our diligent approach to governance throughout the pandemic meant no increase in our risk profile. We regularly review risk through our existing risk management and reporting arrangements ensuring we continue to respond effectively and appropriately as situations evolve.

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**REVIEW OF 2020/21**

The entirety of financial year 2020/21 was overshadowed by the COVID 19 pandemic and the associated governmental, societal, and individual challenges faced.

Like most organisations we faced uncertainty around immediate, medium term and long-term prospects in an environment that challenged established management and governance practices. Our response at the time was two-fold to:

- Ensure the safety and wellbeing of our colleagues
- Ensure our Enterprise remained sustainable

Specifically, in Q4 of 2019/20 we:

- Transitioned to home working and adapted a new strategy for colleague Wellbeing and for colleague communications and engagement.
- Developed and implemented comprehensive mitigating actions and procedures to ensure we continue to deliver an effective service.
- Identified and shared reliable and relevant information at regular frequency to effectively manage our future operations, including the flow of critical financial information; and
- Focused relentlessly on cash flow ensuring reserves remain at required levels and enough resources remain to continue to meet the enterprise's current and future needs.

As 2020 progressed into 2021 we continued the same relentless focus on enterprise sustainability and colleague wellbeing and at the same time began to look to the post pandemic world and how our enterprise would continue the journey we set out in our 5 Year Strategy.

Our key funding relationships and income streams continued strongly throughout the period. The majority of our revenue streams remained robust which was a direct result of the focus on relationships and an innovative approach to ensuring we remained able to continue delivering services to our customers at a time when they were essential to everyday life. There were a small number of programs delayed or affected by the inability to physically meet but our operational colleagues demonstrated daily resilience and ingenuity to pivot services to online delivery models. Across the full range of our contracts our partners have been complimentary of this approach and the positive outcomes we have achieved for our customers.

In addition, we expanded our revenue generating capability in the period including two significant innovations in the utilisation of strategic partnerships:

- We successfully bid in partnership with Capita on Tier 1 of the national CHAERS Framework becoming a key deliverer of the JETS programme in Scotland on behalf of the DWP. In this partnership we concentrated on our core strength of delivering person centred mentoring whilst Capita perform to their core strengths of contract management and IT provision.
- In collaboration with St Giles Trust we created a jointly owned SPV to bid on the Ministry of Justice Dynamic Purchasing framework in England and Wales. This industry first innovation was the most successful in securing contracts for 'Day One' services procured on the framework and was highly praised by the Ministry for its innovative and collaborative approach, keeping customer impact at the heart of the bids.

**Breadth of services**

The breadth of services within the Wise Group is an asset which is valuable to our customers, funders, stakeholders, and society. With over 30 individual projects across our three areas

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**REVIEW OF 2020/21 (CONT.)**

of focus in operation at any given time, there is value, diversity, and impact in our customer results. We are augmenting this through:

- Exploring the development of a holistic customer journey underpinned with appropriate assessment tools and success measurements
- Developing and implementing a social impact and evaluation framework
- Developing centralised customer MI systems
- Employing new engagement and communications technologies to reach new audiences

**Our Impact**

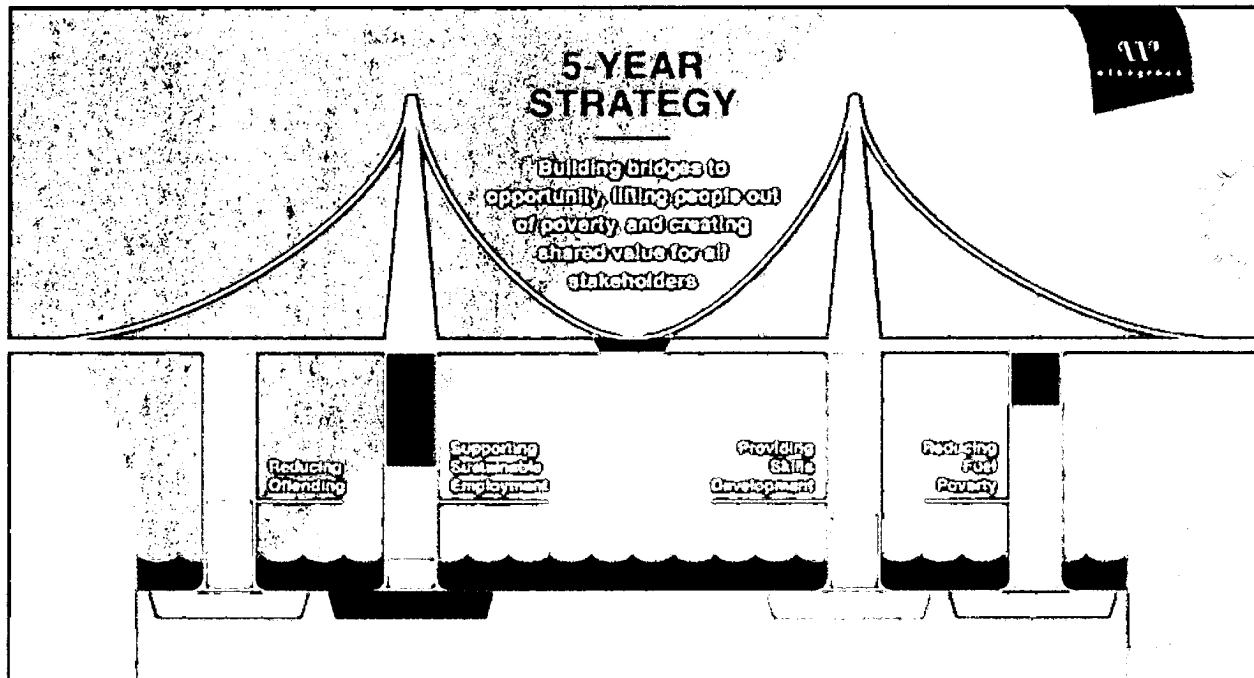
The information below presents a high-level snapshot across our services and highlights the growing impact we are making. The customer numbers relate to Scotland and England.

<b>AREA OF FOCUS</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Employment Services and Skills (ESS)	3,108	3,319	4,236
Energy Advice and Advocacy (EAA)	30,034	33,974	39,614
Community Justice (CJ)	738	1,036	3,479
<b>Total Customers Impacted</b>	<b>33,880</b>	<b>38,329</b>	<b>47,329</b>

Overall, during 2020/21 The Wise Group positively impacted an additional 9,000 customers compared to 2020/21, helping to transform their lives for the better and achieve a more positive and sustainable future.

Externally, the period 2020/21 was one of political, societal and economic upheaval. We undertook to ensure that the Wise Group was understood to be a conduit to new solutions to civic challenges. In a real milestone in our development as an Enterprise we produced our first Manifesto which outlined who we are and what we believe in. Our Manifesto stakeholder engagement strategy and strategic development activity were instrumental in achieving this positioning and the above results. By engaging with key Stakeholders to increase their familiarity, favourability, and advocacy in relation to our enterprise and its activities we positioned the enterprise as a key conduit for future Recovery and also delivered a more immediate expansion of all three areas of operation, enabling us to provide increased support to an expanded cohort of customers over the period - April 2020 – March 2021.

**STRATEGIC REVIEW**



As we entered the third year of our five-year strategy, Building Bridges, the consequences of COVID 19 driven operating changes meant we were able to accelerate some aspects and continue our cultural relationship changes. We continue to monitor these changing relationships and all activities against the five-year plan.

We know that we continue to make good progress in delivering that plan and have maintained strong focus on how we adapt and evolve our strategic approach to ensure that we continue to be relevant and impactful in addressing the new societal challenges and drivers of poverty. During financial year 2021/22 we intend to critically assess that progress and where appropriate re-align objectives given that the world of 2021/22 is significantly changed from the landscape in which the strategy was conceived.

Whilst the effects of COVID 19 may have nuanced some aspects of the delivery of our strategy we continued in its delivery in targeted areas and at a pace appropriate to the circumstances we face. Our progress in the year has been signified by the way in which we changed fundamental relationships within the Enterprise, notably:

- Changing the relationship between the Enterprise and our colleagues by the creation and implementation of our Remote First operational model. In what we believe to be a first in our sector we established a new, enhanced approach to working remotely and flexibly based on trust. It's not about presenteeism, it's about working in a way that works for our colleagues and the Enterprise. We changed our relationship with our buildings and encouraged colleagues to work from anywhere, being closer to those customers we support. Crucially, we recognised that our colleague's needs were changing. How they live and work was changing too. They wanted to be more flexible with their time, or work when it suited them and their personal circumstances.
- Changing the relationship between the Enterprise, our colleagues and physical space through the sale of Charlotte Street and the design of our Hub model. The Hub model reinforces Remote First and encourages colleagues to use Hub spaces where such use has value and purpose – you do not simply go to a physical space to 'do your job' but instead look forward to a visit and feel uplifted and inspired when you leave.

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**STRATEGIC REVIEW (CONT.)**

- Changing the relationship between the Enterprise and our colleagues by completing a full Employment Contract update to ensure it complimented and supported Remote First.
- Continuing to change our relationship with Technology, ensuring it becomes a key enabler in delivering our Strategy. After having completed the much-needed infrastructure transformation 20/21 saw the full implementation of a new Finance system and the successful deployment of a CRM system custom designed to support delivery of our flagship New Routes programme.

A key tenet of our strategy is anchored on taking an evidential approach. Last year we made the decision to re-prioritise and refocus our approach on development of a Social Investment Framework. We continue with this approach but note that the effects of both COVID and re-shaping our Engagement and Policy Team mean that it is still a work in progress.

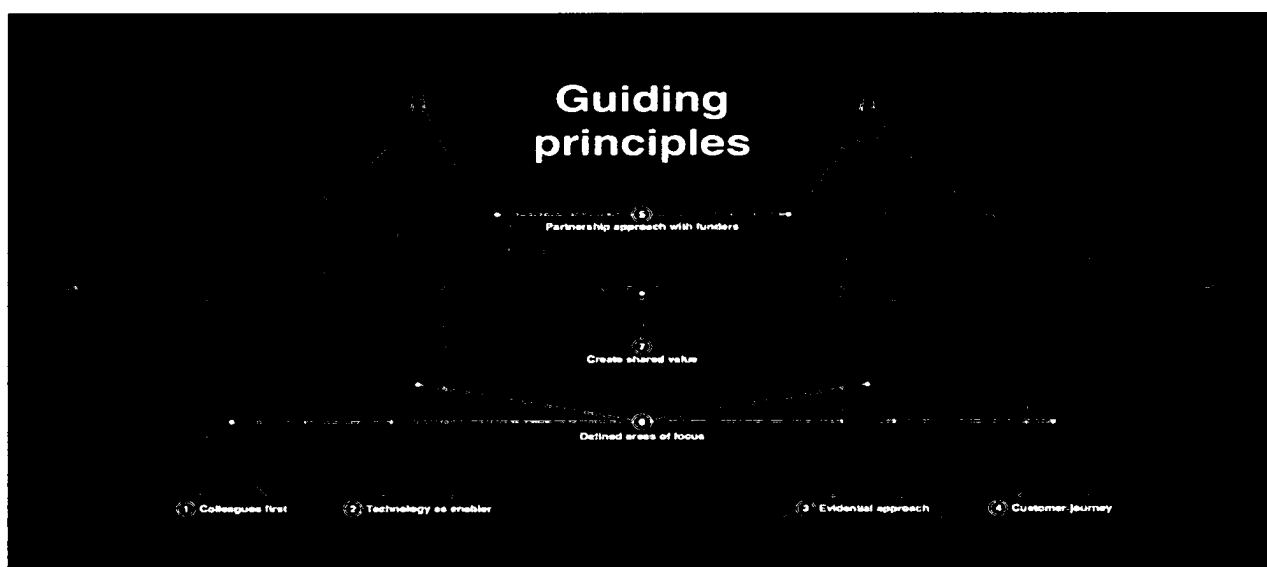
As we continue developing and executing our strategy, we address the challenges we face by changing our approach and aligning to our mission, vision, and values. Based on our core competency of person-centred mentoring and guidance, we help people move out of poverty by building bridges to opportunity and supporting them along that journey.

We continue to be guided by our core purpose and our 7 guiding principles – the DNA of our enterprise. It is what our colleagues, customers, stakeholders, and funders experience as standard by working with us.

**Core Purpose**

Building bridges to opportunity, lifting people out of poverty, and creating shared value for all stakeholders.

**Guiding Principles**



**STRATEGIC REVIEW (CONT.)**

**1. Colleagues first**

To attract, develop and retain the exceptional talent required for growth, our colleagues need to be our priority.

Primary delivery mechanism: People Plan.

**2. Technology as an enabler**

Manual processes – we'll make technology a competitive advantage, supported by a £1m investment over 5 years.

Primary delivery mechanisms: Transformation Strategy, IT Strategy and Digital Transformation Strategy.

**3. Evidential approach**

Social impact reports produced by many often don't truly evidence impact, they evidence outputs. We are changing our Relationship with data and evidence and creating a social impact measurement framework to address this. Primary delivery mechanisms: The development of a strategic evidential approach and Social Impact and Evaluation Framework.

**4. Customer journey**

Historical funder reliance and limitations on funding streams resulted in a silo approach with customers accessing one project, in one area, with little cross-over to other areas. We will explore the concept of a holistic customer journey which aims to provide consistency, expand the support offering to individuals, increase access, and deliver greater impact.

Primary delivery mechanisms: Customer Journey Review and Social Impact and Evaluation Framework.

**5. Partnership approach with funders**

Our funder relationships in the past have been one- sided, and we continue with our goal of creating equal partnerships, with shared value for all. Our positioning, policy work, internal development and piloting of delivery models, technology, and evidential approach will facilitate this.

Primary delivery mechanisms: Stakeholder Engagement Strategy and Social Impact and Evaluation Framework.

**6. Defined areas of focus**

The strategic review confirmed that we operate in the correct social areas, but we are now more focused on what we do in those areas. We focus relentlessly on delivering across three defined areas of focus – Community Justice, Employability and Fuel Poverty Action & Advocacy.

Primary delivery mechanisms: Customer Value Propositions, SBU Business Plans and SBU Action Plans.

**7. Create shared value**

The result of our guiding principles is the creation of shared values for our colleagues, customers, stakeholders, and funders.

Primary delivery mechanisms: Plans (colleague, customer, stakeholder, and funder).

## **STRATEGIC REVIEW (CONT.)**

### **FUTURE PLANS**

#### **Strategic ambitions**

We are ambitious to make a real difference everyday – socially, culturally, and financially. Our next phase will link our focus on colleague wellbeing and Enterprise sustainability more solidly to a commercial approach. We will aim to be commercial in approach and purposeful in ambition.

Several financial and non-financial metrics have been embedded within our strategy. Financial metrics that directly support our continued sustainability and future growth. Diversification of income streams will reduce overreliance on single income sources and reduce our risk profile. By increasing funds from non-traditional sources, we will improve the proportion of unrestricted funds, providing greater freedom in how we use and distribute financial resource for greater social impact.

In terms other metrics we are creating a social impact framework that takes our non-financial outputs we gather – like job outcomes, homes that move out of fuel poverty, offending behaviours identified – and turns them into a financial value. This allows us to evidence the actual impact of our work – not just the outcomes. This way of working will allow us to accurately report the social value of our work. The benefit of this being that we significantly raise the standard of impact and evidence in our sector, putting us in a stronger position with funders and stakeholders.

#### **Colleague first approach**

Our commitment to ‘people first’ is formalised in our strategy and is 1 of our 7 guiding principles.

Our updated people plan aims to provide a consistent and enlightened approach to people support across the enterprise. We continue to be focused on nurturing a positive culture, one that is focused on the delivery of high quality, continually improving and compassionate customer support.

Our people plan is far sighted, ambitious and most importantly evidence based, ensuring the wellbeing of colleagues, and celebrating their individual difference. As we continue to embed this plan, we aim to strengthen diversity and inclusiveness, colleague health and wellbeing, social impact, customer quality and financial performance.

Courage and persistence will be required from all to sustain the change. That involves recognition that it will take time, effort, focus and positivity from everyone in the enterprise to continue to create a culture that positively transforms the lives of our customers.

The Wise Group is made up of amazing colleagues doing amazing things for customers we support every day. Our colleagues truly make the difference, and they need to be the very best they can be for us to provide the most impactful support possible. To assist and enable colleagues in this we will ensure we have the very best leadership, management, systems, structures, and processes in place.

Our colleague engagement strategy, Colleague Pulse Survey and People and Culture Group will provide colleague perception data to inform our people plan.

#### **Strategic Development as a priority**

We continue to make strong progress with our 5-year strategy, particularly in some of our key focus areas such as community justice and employability. We continue to scan the horizon for the inevitable and seismic impact that COVID-19 will have on wider society planning how we adapt and evolve our strategic approach to be both relevant and impactful in addressing the future societal challenges and drivers of poverty.

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**STRATEGIC REVIEW (CONT.)**

We will critically analyse our strategy and key focus areas in line with any changes seen at local and national government level, along with the insight we glean from our frontline delivery of support to customers.

All our key strategic partnerships put us in a strong position for the future. We will measure our growth based on all areas of our impact – Social, Cultural and Financial.

**Building our Reputation**

Rooted in our ambitions to add social, cultural, and financial value, our Engagement and Policy strategy will take an evidence-based approach to promoting how we address societal issues and influence positively our stakeholders' (internal and external) priorities.

Supporting our growth, colleague and digital ambitions, we will focus on internal and external engagement; handling the engagement challenges and opportunities presented by new channels. We will tell our story and position the Enterprise as a Thought Leader - promoting our purpose and impact through valuable public conversations.

2021/22 will see us analysing our external landscape through an insight and policy lens to determine the developing themes of recovery and determining how we would propose to address these themes from a service, influence, and growth perspective.

Internally, our new approach to Colleague Engagement will continue, embedding our Remote First approach and developing a better understanding of our Purpose, Values and Strategy. Moving forward, we seek to support how we enrich roles across the Enterprise and support colleagues to be conformable with 'commerciality' and 'going upstream' through an evidence-based approach, with confidence and humility.

**Technology enabled business transformation**

We continue to work towards our strategic goal of becoming a "technology enabled" business. Transforming and realising our ambition to be one of the leading social enterprises in the UK, the Board agreed a 5-year investment plan to deliver this transformation. In this area our This work set our strategy sets out 5 broad high-level goals:

1. Fit for purpose platform
2. Process re-engineering
3. Fit for purpose applications
4. Automation
5. An enterprise-wide view

Goals 1 and 2 have broadly been achieved and we now continue with goals 3 and 4 as originally envisioned. With regards to goal number 5 we have recalibrated what this means to our enterprise and have embarked on a journey of learning and exploration to fully understand what a truly digital organisation looks like and to create a Digital Transformation Strategy that will complete our ambition of Technology as an Enabler throughout the Enterprise.

**Improved fiscal performance through strategic transformation**

Our strategic aims in this area remain to build financial reserves for the future to ensure long term sustainability. The goals in this area were to:

- Achieve positive cash flow
- Grow annual income & contribution

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**STRATEGIC REVIEW (CONT.)**

- Diversify income streams
- Maximise the generation of surplus for re-investment
- Minimise financial risks

In all five areas we have seen significant improvement.

The strategy embeds financial ratios to deliver improved financial outcomes in relation to revenue, cash flow and reserves. This is enabled through several interventions including project design and delivery, diversification of revenue streams, and improving the efficiency and effectiveness of outcomes. Through these interventions the budget will deliver:

- A solid platform for growth
- Increased revenue and contribution from commercial and non-traditional sources

**FINANCIAL REVIEW AND RESULTS**

The 2020/21 financial gain of £530,195 is primarily due to increased performance within specific contracts, new contracts being awarded and implemented, and opportunities to work with other organisations to help people during a difficult year.

The net expenditure for 2020/21 is classified as net income of £1,116,368 in unrestricted funds and a deficit of £586,173 in restricted funds. During 2020/21 around 30 individual projects were delivered within the three main activity areas of employment services and skills, community justice and energy advice and advocacy.

The financial results have been presented in accordance with FRS102 and the Charities SORP (FRS102). The Directors have included a Statement of Financial Activities which incorporates the Income and Expenditure Account. This statement shows the funding and the other resources available and how they have been utilised. Funds are analysed between:

- Unrestricted funds (general) which are the resources made available to the Wise Group to further its objectives.
- Restricted funds which are made available to the enterprise for use on restricted activities only.

Comparison of 2020/21 and 2019/20:

- Income increased slightly to £12,742,683 in the 12 months to March 2021 from £12,450,682 in 2019/20.
- The year-end cash balance was £2,414,962, compared to an opening balance of £1,328,933. £248,129 is held on behalf of councils (2019/20: £227,431).
- Colleague numbers reduced to an average of 216 in 2020/21, with colleague costs of £6,083,784 compared to 226 in 2019/20, with colleague costs for the period of £6,306,361.
- Unrestricted funds increased to £3,938,853 at 31 March 2021 from £3,408,658 at 31 March 2020. Our unrestricted funds give us the ability to plan, to upskill and to retain and invest in colleagues. Our free reserves are £2,414,960, compared to £1,773,509 at 31 March 2020.

The total expenditure 2020/21 was £12,212,488. Of this £11,963,578 (98%) was incurred on direct charitable activities in pursuit of the Wise Group social objectives, with £90,427 (0.7%) incurred on governance costs. A further £144,335 (1.18%) was incurred on other strategic development costs to secure funds for the enterprise, with the balance of £14,148 (0.12%) being costs incurred on properties with potential rental value.

**THE WISE GROUP  
TRUSTEES REPORT  
YEAR ENDED 31 MARCH 2021**

**STRATEGIC REVIEW (CONT.)**

**FINANCIAL REVIEW AND RESULTS (CONT.)**

2021/22 focus will continue to be to deliver against our strategy, enhance financial stability across the enterprise, embedding measures and ratios to deliver improved financial outcomes in relation to income, cash flow and reserves.

**Pensions**

A voluntary contributory money purchase pension scheme was in operation and available to all colleagues in the enterprise based on a sliding scale. The employer contribution is capped at 12% of salary with an employee contribution of 10%, although some colleagues have opted to increase their contribution. Pension contributions made by the enterprise in the year were £384,972, an increase of £18,315 2019/20 due to several colleagues choosing to increase their contributions, and therefore also employer contributions, following informative financial planning seminars with our advisors. The enterprise operates a salary exchange scheme for pension contributions which is available to all colleagues. The pension contributions have been allocated between restricted and unrestricted funds as detailed in the expenditure note within note 1 Accounting Policies.

**Funding Sources**

Income to support the delivery of the charitable activities was derived from a variety of public and private sources and contracts. These were principally achieved by competitive tendering for public sector contracts through government procurement activities and bidding for grant funding. The main sources of income are set out in Note 3 of the Financial Statements.

The Board of Directors regularly considers the exposure to major risks and the likely impact on income sources and planned expenditure and assessed the best way to mitigate such risks. The principal accounting policies are detailed in Note 1.

**Reserves and Funding Position**

The purpose of reserves is primarily to ensure the stability and ongoing operation of the enterprise and to provide a source of internal funds for priorities such as capacity building, developing infrastructure and upgrading buildings. Reserves are also held to ensure contractual liabilities are met if needed, including redundancy pay, amounts due to creditors and commitments under leases.

Total funds of £3,938,853, 30.91% of 2020/21 income, are carried forward into 2021/22 to further the aims of the Wise Group and achieve the objectives.

The reserves policy of The Wise Group is to retain sufficient funds required to meet three months' worth of running costs. On this basis, we would expect to hold minimum free reserves of £1.65m. The free reserves held at the year-end were higher than the target level and are forecasted to increase significantly with new business opportunities and the sale of the current property are concluded.

Of the total funds carried forward into 2021/22, £1,523,893 are held as fixed assets for the enterprise's use and are excluded from the free reserves balance, the balance of free reserves is therefore £2,414,960.

In 2021/22 the enterprise requires enough funds to cover costs of funding projects until income is earned, investment in transformation and other aspects of our strategy, and to respond to situations given the extent of the service provision.

Throughout 2020/21 COVID-19 had an impact on all of projects in some form. Despite the challenges and through close collaboration with all of our stakeholders we adapted to allow support to our customers to continue. While there were changes to some sources of funding, we have adapted our projects using our enhanced technology – a clear demonstration of our determination to keep our promise to our customers accessing our support and our key strategic pillar of

**THE WISE GROUP  
TRUSTEES REPORT  
YEAR ENDED 31 MARCH 2021**

**STRATEGIC REVIEW (CONT.)**

**FINANCIAL REVIEW AND RESULTS (CONT.)**

technology as an enabler. Financial modelling was undertaken at regular intervals to demonstrate and give reassurance that the income and level of reserves are enough to sustain the enterprise for the foreseeable future. On the basis of these forecasts and as further detailed in the going concern accounting policy, the Directors have a reasonable expectation that the enterprise has adequate resources to continue in operational existence for at least twelve months from the signing of the financial statements.

The trustees will continue to ensure careful cash management and close ongoing monitoring to maintain reserves.

**Auditors**

RSM UK Audit LLP were appointed for a 3-year period under section 487 of the Companies Act 2006. Financial year 20/21 covers the final year of this appointment.

**THE WISE GROUP  
TRUSTEES REPORT  
YEAR ENDED 31 MARCH 2021**

**TRUSTEES RESPONSIBILITIES STATEMENT**

The trustees (who are also directors of the Wise Group for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 trustees are responsible for the maintenance and integrity of 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.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable auditor is unaware
- The Trustees have taken all the steps that they ought to have taken as a trustee in order to make them aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

The Trustees approve the Trustees' report (including the strategic report) in their capacity as company Directors.

**On behalf of the Board,**

*Neil McLachlan*

**Neil McLachlan  
Chair**

**Date: 18 November 2021**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE WISE GROUP**

### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

### **Conclusions relating to going concern**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE WISE GROUP (Continued)**

### **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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report and the strategic report prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 19, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE WISE GROUP (Continued)**

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

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

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102) effective 01

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE WISE GROUP (Continued)**

January 2019, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Data Protection Act 2018, Safeguarding Vulnerable Groups Act 2006, the Health and Safety at Work Act 1974 and all employment related legislation. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

### **Use of our report**

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

*Kelly Adams*

Kelly Adams (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
First Floor, Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QC

Date 19 November 2021

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

**THE WISE GROUP**
**STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)**  
**YEAR ENDED 31 MARCH 2021**

	Unrestricted Funds £	Restricted Funds £	2020/21 £	2019/20 £	Note
<b>Income from:</b>					
Charitable activities; -					2/3
Employment Services & Skills	872,844	4,742,497	5,615,341	5,189,979	
Community Justice	62,986	2,479,853	2,542,839	2,324,200	
Energy Advice & Advocacy	305,380	4,221,359	4,526,739	4,888,007	
Investments	1,889	-	1,889	4,652	
Donations	-	-	-	1,419	
Other					
Rental income	3,107	-	3,107	42,425	
Other income	52,768	-	52,768	-	
<b>Total</b>	<b>1,298,974</b>	<b>11,443,709</b>	<b>12,742,683</b>	<b>12,450,682</b>	
<b>Expenditure on:</b>					
Charitable activities; -					4/5
Employment Services & Skills	19,412	5,081,681	5,101,093	5,544,499	
Community Justice	1,032	2,514,787	2,515,819	2,258,178	
Energy Advice & Advocacy	-	4,433,414	4,433,414	4,762,928	
Raising Funds					
Business development costs	148,014	-	148,014	122,568	7
Other					
Costs for rental properties	14,148	-	14,148	55,357	
<b>Total</b>	<b>182,606</b>	<b>12,029,882</b>	<b>12,212,488</b>	<b>12,743,530</b>	
<b>Net Income/(expenditure)</b>	<b>1,116,368</b>	<b>(586,173)</b>	<b>530,195</b>	<b>(292,848)</b>	
Transfer of funds	(586,173)	586,173	-	-	18
<b>Other recognised gains</b>					
Gain on disposal of assets	-	-	-	5,417	
<b>Net movement in funds</b>	<b>530,195</b>	<b>-</b>	<b>530,195</b>	<b>(287,431)</b>	
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>3,408,658</b>	-	<b>3,408,658</b>	<b>3,696,089</b>	
<b>Total funds carried forward</b>	<b>3,938,853</b>	-	<b>3,938,853</b>	<b>3,408,658</b>	18

All the activities of the enterprise are classed as continuing. The notes on pages 27 to 37 form part of these financial statements.

**THE WISE GROUP  
BALANCE SHEET  
AS AT 31 MARCH 2021**

	<b>2020/21 £</b>	<b>2019/20 £</b>	<b>Note</b>
<b>Fixed assets:</b>			
Intangible assets	245,181	270,908	10
Tangible assets	1,278,712	1,364,241	11
Investment	50	-	12
Total fixed assets	<u>1,523,943</u>	<u>1,635,149</u>	
<b>Current assets:</b>			
Debtors	1,908,710	2,001,645	13
Cash at bank and in hand	2,414,962	1,328,933	14
Total current assets	<u>4,323,672</u>	<u>3,330,578</u>	
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	1,758,762	1,557,069	15
Net current assets	<u>2,564,910</u>	<u>1,773,509</u>	
Total assets less current liabilities	4,088,853	3,408,658	
Creditors: Amounts falling due after more than one year	150,000	-	15
<b>Total net assets</b>	<b><u>3,938,853</u></b>	<b><u>3,408,658</u></b>	
<b>The funds of the charity:</b>			
Unrestricted funds	3,938,853	3,408,658	17/18
Restricted funds	-	-	17/18
<b>Total charity funds</b>	<b><u>3,938,853</u></b>	<b><u>3,408,658</u></b>	

These financial statements were authorised for issue by the directors and are signed on their behalf by:

*Neil McLachlan*

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**Neil McLachlan, Chair**

**Date** 18 November 2021

**Company Number** SC091095

The notes on pages 27 to 37 form part of these financial statements.

**THE WISE GROUP**  
**STATEMENT OF CASHFLOWS**  
**YEAR ENDED 31 MARCH 2021**

	<b>2020/21</b>	<b>2019/20</b>
	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>
<b>Cash flow from operating activities:</b>		
Net cash (used in)/provided by operating activities	1,147,453	(990,423)
<b>Cash flows from investing activities:</b>		
Interest received	1,889	4,652
Payments to acquire tangible fixed assets	-	(105,938)
Payments to acquire intangible fixed assets	(59,760)	(259,250)
Payments to invest in Joint Venture	(50)	-
Proceeds from dissolved subsidiary companies	-	300
Proceeds from sale of tangible fixed assets	-	5,417
Proceeds from sale of property	-	1,336,734
Net cash (used in)/provided by investing activities	(57,921)	981,915
<b>Cash flow from financing activities:</b>		
Interest payable	(3,503)	(3,902)
Net cash (used in) financing activities	(3,503)	(3,902)
Change in cash in the reporting period	1,086,029	(12,410)
Cash at the beginning of the reporting period	1,328,933	1,341,343
<b>Cash at the end of the reporting period</b>	<b>2,414,962</b>	<b>1,328,933</b>

**Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	530,195	(287,431)
Adjustments for:		
Interest receivable	(1,889)	(4,652)
Interest payable	3,503	3,902
Amortisation charges	85,487	10,997
Depreciation charges	85,529	85,148
Increase in debtors	92,935	(740,605)
Decrease in creditors	351,693	(52,365)
Gain on the sale of fixed assets	-	(5,417)
<b>Net cash provided by/(used in) by operating activities</b>	<b>1,147,453</b>	<b>(990,423)</b>

**Analysis of changes in debt**

	<b>At 1 April 2020</b>	<b>Cash flows</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents</b>			
Cash	1,328,933	1,086,029	2,414,962
	1,328,933	1,086,029	2,414,962
<b>Borrowings</b>			
Debt due within one year	-	(50,000)	(50,000)
Debt due after one year	-	(150,000)	(100,000)
	-	(200,000)	(200,000)
<b>Total</b>	<b>1,328,933</b>	<b>886,029</b>	<b>2,214,962</b>

**THE WISE GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**1. Accounting Policies**

The Wise Group is an incorporated Social Enterprise registered and incorporated in Scotland; the registered address is Studio 64, Sir James Clark Building, Abbey Mill Business Centre, Seedhill, Paisley, PA1 1TJ. The activities and services delivered fall under the three main business areas of Employment Services & Skills, Community Justice and Energy Advice & Advocacy.

***Basis of Accounting***

The financial statements have been prepared under the historical cost convention (as modified for the revaluation of certain fixed assets) and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, applicable accounting standards, 2019 Charities Statement of Recommended Practice ('SORP') and the Financial Reporting Standard (FRS102). The Wise Group meets the definition of a Public Benefit Entity under FRS102.

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where otherwise stated.

***Going Concern***

The Wise Group has good financial resources; cash in bank and hand at 31 March 2021 of £2,166,833 (excluding amounts held on behalf of councils as detailed in note 13), and unrestricted reserves of £3,938,853 (which include fixed assets of £1,523,893), together with multi-year contracts across various parts of the business. The enterprise made a profit during 2020/21 primarily due to increased performance within certain contracts and new contracts being awarded and implemented. Income for 2021/22 which has been confirmed by funders is at 96% so the enterprise is in a stable position to move forward. The Directors believe, having reviewed detailed forecasts, that the enterprise is well placed to manage its business risks successfully despite the current economic position.

The Directors have a reasonable expectation that the enterprise has adequate resources to continue in operational existence for at least twelve months from the signing of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and do not consider there to be any material uncertainty.

***Income***

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income represents grants, rental income, donations and interest received.

Rental income is included in income in the period to which it relates. Interest is included when receivable. Government grants awarded based on incurring specific expenditure are disclosed within the Statement of Financial Activities in the period the approved expenditure takes place and recognised when conditions of grant are met. Other revenue grants are credited to income in the period that conditions for receipt have been complied with. Grants for capital expenditure are released to the Statement of Financial Activities over the useful life of the relevant asset.

***Expenditure***

Expenditure is included in the Statement of Financial Activities on an accrual's basis and is recognised when there is a constructive or legal obligation. Expenditure comprises those costs incurred by the enterprise in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The indirect costs are largely apportioned using colleagues numbers, particularly full time equivalents. Costs are allocated as detailed in note 4, 5 and 7. Governance costs (as disclosed in note 6) include those costs associated with meeting the constitutional and statutory requirements of the enterprise and include the audit fees and costs linked to the strategic management of the enterprise.

**THE WISE GROUP  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**1. Accounting Policies (cont.)**

***Intangible Fixed Assets***

Expenditure on intangible assets that do not have physical substance are capitalised when it is expected that future economic benefits will flow from the intangible asset to the enterprise. The depreciable amount of an intangible asset is amortised on a straight-line basis over its estimated useful life to the relevant project as follows:

Website	-	Over 4 years
CRM Systems	-	Project Life
Software	-	Over 4 years

***Tangible Fixed Assets***

Tangible fixed assets are stated at cost less depreciation except for heritable property which is stated at valuation. Items costing less than £1,000 are not capitalised. Depreciation is provided on all fixed assets on a straight line basis, excluding heritable land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life or the term of the asset to which the project relates, whichever is the shorter, as follows:

Heritable land & buildings	-	Over 25 years (land not depreciated)
Freehold improvements	-	Over 5 years
Furniture/office equipment	-	Over 5 years
Motor vehicles & plant	-	Over 5 years
Computer equipment	-	Over 4 years

Instruction for the revaluation of heritable property is made at least every five years and a desktop valuation is carried out annually. Unfortunately, this was not possible at the end of 2020/21 due to Covid-19 restrictions.

***Investments***

The investment in a joint venture is recognised at cost less any subsequent impairment.

***Operating Lease Agreements***

Rentals payable under operating leases, where substantially all the benefits and risks of ownership remain with the lessor, are charged against income on a straight-line basis over the lease term.

***Pension Costs***

The enterprise operates a defined contribution pension scheme. Pension contributions are charged to the Income and Expenditure Account as and when they are due.

***Taxation***

The enterprise is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result, there is no liability to taxation on any of its income.

***Reserves***

Restricted funds are to be used for specific purposes as laid down, either implicitly or explicitly, by the donor or grant provider. Unrestricted funds comprise funds raised and other income received or generated for general charitable purposes.

***Financial Instruments***

Financial assets and financial liabilities are recognised when the enterprise becomes a party to the contractual provision of the instrument and are offset only when the enterprise currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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**1. Accounting Policies (cont.)**

***Financial Assets***

Trade and other debtors which are receivable within one year are initially measured at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount recoverable.

***Financial Liabilities***

Trade and other creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

The loan is an interest free concessionary loan which is shown at cost and is repayable over four years.

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

***Critical Accounting Estimates and Areas of Judgement***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical estimates or assumptions included in the Financial Statements.

**2. Analysis of income from charitable activities**

	<b>2020/21 Unrestricted £</b>	<b>2020/21 Restricted £</b>	<b>2020/21 Total £</b>	<b>2019/20 Unrestricted £</b>	<b>2019/20 Restricted £</b>	<b>2019/20 Total £</b>
Employment Services & Skills	872,844	4,742,497	5,615,341	272,602	4,917,377	5,189,979
Community Justice	62,986	2,479,853	2,542,839	89,480	2,234,720	2,324,200
Energy Advice & Advocacy	305,380	4,221,359	4,526,739	316,060	4,571,947	4,888,007
<b>Total</b>	<b>1,241,210</b>	<b>11,443,709</b>	<b>12,684,919</b>	<b>678,142</b>	<b>11,724,044</b>	<b>12,402,186</b>

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**3. Analysis of income from charitable activities by funder**

	<b>2020/21 Unrestricted £</b>	<b>2020/21 Restricted £</b>	<b>2020/21 Total £</b>	<b>2019/20 Total £</b>
Scottish Government	365,484	4,971,637	5,337,121	4,443,615
National Lottery Comm. Fund	26,658	2,770,259	2,796,917	3,604,183
Local Auth. & Housing Ass.	217,777	1,944,188	2,161,965	2,886,020
Skills Development Scotland	105,879	148,394	254,273	147,175
Ministry of Justice	-	573,920	573,920	542,086
Private Sector	450,779	1,026,401	1,477,180	650,689
Other Funders	74,633	8,910	83,543	128,418
<b>Total</b>	<b>1,241,210</b>	<b>11,443,709</b>	<b>12,684,919</b>	<b>12,402,186</b>

**4. Analysis of expenditure on charitable activities**

	<b>2020/21 Unrestricted £</b>	<b>2020/21 Restricted £</b>	<b>2020/21 Total £</b>	<b>2019/20 Unrestricted £</b>	<b>2019/20 Restricted £</b>	<b>2019/20 Total £</b>
Employment Services & Skills	19,412	5,081,681	5,101,093	152,066	5,392,433	5,544,499
Community Justice	1,032	2,514,787	2,515,819	243	2,257,935	2,258,178
Energy Advice & Advocacy	-	4,433,414	4,433,414	-	4,762,928	4,762,928
<b>Total</b>	<b>20,444</b>	<b>12,029,882</b>	<b>12,050,326</b>	<b>152,309</b>	<b>12,413,296</b>	<b>12,565,605</b>

**5. Analysis of expenditure on charitable activities by activity**

	<b>2020/21 Employment Services &amp; Skills £</b>	<b>2020/21 Community Justice £</b>	<b>2020/21 Energy Advice &amp; Advocacy £</b>	<b>2020/21 Total £</b>	<b>2019/20 Total £</b>
Direct colleague costs	1,786,540	1,273,959	1,913,831	4,974,330	5,171,137
Partnership costs	2,140,290	496,397	1,211,795	3,848,482	4,598,950
Other direct operating costs	506,090	341,249	588,452	1,435,791	1,142,870
Indirect colleague costs	373,566	230,743	410,627	1,014,936	1,033,206
Other indirect costs	191,035	117,998	209,990	519,023	465,792
Depreciation/ amortisation	62,946	38,880	69,190	171,016	96,143
Governance costs	40,626	16,593	29,529	86,748	57,507
<b>Total</b>	<b>5,101,093</b>	<b>2,515,819</b>	<b>4,433,414</b>	<b>12,050,326</b>	<b>12,565,605</b>

The basis of allocation is full time equivalent employee numbers.

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**6. Governance Costs included in charitable activities costs**

	<b>2020/21</b> <b>£</b>	<b>2019/20</b> <b>£</b>
Audit fees	23,000	21,300
Legal fees	28,943	6,705
Professional fees	34,805	32,402
<b>Total</b>	<b>86,748</b>	<b>60,407</b>

**7. Analysis of expenditure on business development costs**

	<b>2020/21</b> <b>£</b>	<b>2019/20</b> <b>£</b>
Direct colleague costs	94,518	102,018
Governance costs	3,679	2,900
Other direct operating costs	49,817	17,650
<b>Total</b>	<b>148,014</b>	<b>122,568</b>

Business development costs above include all costs attributed to the business development team and business development activity.

**8. Colleague costs**

	<b>2020/21</b> <b>Avg No.</b>	<b>2019/20</b> <b>Avg No.</b>
The average number of colleagues employed by the enterprise during the year was:		
• Monthly paid colleagues	216	225
• Weekly paid colleagues	-	1
	<b>216</b>	<b>226</b>

<b>Total colleague costs:</b>	<b>2020/21</b> <b>£</b>	<b>2019/20</b> <b>£</b>
Salaries	5,265,010	5,485,678
Social security costs	433,802	454,026
Pension costs	384,972	366,657
	<b>6,083,784</b>	<b>6,306,361</b>

Redundancy costs of £55,508 (2019/20: £169,687) are included within the costs. A total of 9 (2019/20:21) employees were made redundant during the year because of projects coming to an end and some restructuring changes.

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**8. Colleague costs (cont.)**

The key management personnel during 2020/21 comprise of the trustees, the Chief Executive, Finance and Operations Director, People Director, Strategic Development Director, Engagement & Policy Director, and Business Transformation Director. The total employee benefits of the key management personnel for the year were £537,795 (2019/20: £414,403). The benefits consisted of remuneration of £489,558 (2019/20: £375,395), inclusive of employers NIC, and defined pension contributions of £48,237 (2019/20: £39,008), all key management personnel are members of the money purchase pension scheme.

<b>Number of employees with total emoluments over £60,000:</b>	<b>2020/21</b>	<b>2019/20</b>
£60,000 - £69,999	3	-
£80,000 - £89,999	1	-
£120,000 - £129,999		1
£140,000 - £149,999	1	-
	<u>5</u>	<u>1</u>

<b>Executive Directors' emoluments:</b>	<b>2020/21 £</b>	<b>2019/20 £</b>
Chief Executive remuneration	<u>130,418</u>	<u>109,962</u>
Enterprise contributions to money purchase pension schemes:		
Chief Executive	<u>15,650</u>	<u>15,318</u>

This Executive Director is remunerated in respect of his duties as Chief Executive, and not for acting as a director of the enterprise. No remuneration was received by Board Directors.

There were no reimbursements (2019/20: Nil) paid to Board Members in the year.

**9. Depreciation and other operating costs**

Other operating costs are detailed below:

	<b>2020/21 £</b>	<b>2019/20 £</b>
<b>Other operating charges:</b>		
Amortisation	85,487	10,997
Depreciation	85,529	85,148
Auditors' remuneration – audit fee	23,000	21,300
Operating leases:		
• Vehicles	49,921	21,628
• Multi-functional devices	3,074	23,282
• Land and buildings	115,216	125,079

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**10. Intangible assets**

	<b>Website Development £</b>	<b>CRM Development £</b>	<b>Other Software £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 Apr 2020	43,988	554,175	168,475	766,638
Additions	-	26,250	33,510	59,760
Disposals	-	(430,413)	-	(430,413)
At 31 Mar 2021	43,988	150,012	201,985	395,985
<b>Amortisation</b>				
At 1 Apr 2020	37,574	458,156	-	495,730
Charge for year	6,414	30,567	48,506	85,487
Disposals	-	(430,413)	-	(430,413)
At 31 Mar 2021	43,988	58,310	48,506	150,804
<b>Net book value</b>				
At 31 Mar 2021	-	91,702	153,479	245,181
At 31 Mar 2020	63,498	38,935	168,475	270,908

**11. Tangible assets**

	<b>Heritable Land &amp; Buildings £</b>	<b>Freehold Improve- ments £</b>	<b>Furniture /Office Equipment £</b>	<b>Motor Vehicle &amp; Plant £</b>	<b>Computer Equip. £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 Apr 2020	1,300,000	139,290	55,639	12,993	551,155	2,059,077
Additions	-	-	-	-	-	-
Disposal of asset	-	(65,659)	(21,610)	(12,993)	(433,971)	(534,233)
At 31 Mar 2021	1,300,000	73,631	34,029	-	117,184	1,524,844
<b>Depreciation</b>						
At 1 Apr 2020	44,321	124,582	50,898	12,993	462,042	694,836
Charge for year	44,321	6,727	1,213	-	33,268	85,529
Disposal of asset	-	(65,659)	(21,610)	(12,993)	(433,971)	(534,233)
At 31 Mar 2021	88,642	65,650	30,501	-	61,339	246,132
<b>Net book value</b>						
At 31 Mar 2021	1,211,358	7,981	3,528	-	55,845	1,278,712
At 31 Mar 2020	1,255,679	14,708	4,741	-	89,113	1,364,241

The fair value of the Charlotte Street property was stated at £1,300,000 on 11 March 2019 when it was independently valued by Graham + Sibbald, a registered firm of Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2017 and incorporating IVSC International Valuation Standards. The Charlotte Street property was sold on 31 July 2021 at a sale price of £2,030,000.

**12. Investment**

	<b>2020/21 £</b>	<b>2019/20 £</b>
Investment in joint venture	50	-

The enterprise holds a 50% equity shareholding in St Giles Wise Ltd.

**THE WISE GROUP**

**NOTES TO THE FINANCIAL STATEMENTS  
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**13. Debtors**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,554,280	1,435,229
Prepayments	110,006	107,860
Accrued income	244,424	458,556
<b>Total</b>	<b>1,908,710</b>	<b>2,001,645</b>

**14. Cash at Bank and In Hand**

The enterprise administers loan schemes on behalf of specific councils, the cash at bank and in hand balance of £2,414,962 (2019/20:£1,328,933) includes the balance of these loan accounts for Glasgow City Council £237,637 (2019/20:£216,053) and Falkirk, Stirling and Clackmannanshire Councils £10,492 (2019/20:£11,378). The amounts are held in separate bank accounts specifically designated for the above companies and a balance of £248,129 is held in other creditors (2019/20: £227,431).

**15. Creditors**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	541,595	495,766
Taxation and social security	482,770	325,188
Other creditors	366,766	276,129
Accruals and deferred income	367,631	459,986
<b>Total</b>	<b>1,758,762</b>	<b>1,557,069</b>

Deferred income of £300,988, is funding which has been received in this financial period and can be recognised in the following periods when the approved expenditure takes place.

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year</b>		
Other creditors due after 1 year	50,000	-
Other creditors due after 2 years	100,000	-
<b>Total</b>	<b>150,000</b>	<b>-</b>

This amount relates to a concessionary loan received with 0% interest rate and repayable in instalments as detailed below.

	<b>2020/21</b>	<b>2019/20</b>
	<b>£</b>	<b>£</b>
Loan repayable within 1 year	50,000	-
Loan repayable after 1 year	50,000	-
Loan repayable after 2 years	100,000	-
<b>Total</b>	<b>200,000</b>	<b>-</b>

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**16. Commitments under Operating Leases**

At 31 March 2021, the total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>Land &amp; Buildings 2020/21 £</b>	<b>Other Items 2020/21 £</b>	<b>Land &amp; Buildings 2019/20 £</b>	<b>Other Items 2019/20 £</b>
Within 1 year	54,897	-	74,135	10,548
	<u>54,897</u>	<u>-</u>	<u>74,135</u>	<u>10,548</u>

**17. Analysis of Net Assets between Funds**

	<b>Unrestricted Funds 2020/21 £</b>	<b>Restricted Funds 2020/21 £</b>	<b>Total Funds 2020/21 £</b>	<b>Unrestricted Funds 2019/20 £</b>	<b>Restricted Funds 2019/20 £</b>	<b>Total Funds 2019/20 £</b>
Intangible assets	245,181	-	245,181	270,908	-	270,908
Tangible assets	1,278,712	-	1,278,712	1,364,241	-	1,364,241
Current assets	4,323,672	-	4,323,672	3,330,578	-	3,330,578
Current liabilities	(1,758,712)	-	(1,758,712)	(1,557,069)	-	(1,557,069)
Creditors due after one year	(150,000)	-	(150,000)	-	-	-
	<u>3,938,853</u>	<u>-</u>	<u>3,938,853</u>	<u>3,408,658</u>	<u>-</u>	<u>3,408,658</u>

**18. Analysis of Charitable Funds**

**Analysis of movements in unrestricted funds**

	<b>At 1 Apr 2020 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfer of funds £</b>	<b>At 31 Mar 2021 £</b>
General reserve	3,408,658	1,298,974	(182,606)	(586,173)	3,938,853
Property revaluation reserve	-	-	-	-	-
<b>Total funds</b>	<u>3,408,658</u>	<u>1,298,974</u>	<u>(182,606)</u>	<u>(586,173)</u>	<u>3,938,853</u>

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**18. Analysis of Charitable Funds (cont.)**

**Analysis of movements in restricted funds**

	<b>At 1 Apr 2020 £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Transfer of funds £</b>	<b>At 31 Mar 2021 £</b>
<b>Restricted funds</b>					
Scottish Government	-	4,971,637	(5,098,473)	126,836	-
National Lottery	-				-
Community Fund		2,770,259	(3,008,745)	238,486	
Local Authorities	-	1,944,188	(2,029,884)	85,696	-
Skills Development Scotland	-	148,394	(148,394)	-	-
Ministry of Justice	-	573,920	(601,415)	27,495	-
Private Sector	-	1,026,401	(1,129,645)	103,244	-
Other funders	-	8,910	(13,326)	4,416	-
<b>Total funds</b>	-	<b>11,443,709</b>	<b>(12,029,882)</b>	<b>586,173</b>	-

***The Scottish Government***

The income received from the Scottish Government is used to fund the New Routes and Fair Start Scotland partnerships led by the Wise Group. The New Routes partnership provides support for prisoners on release from prison to the community. Fair Start Scotland is the Scottish Government's devolved employment programme which helps unemployed people with health conditions and disabilities to find work and stay in work. The Wise Group also delivers an energy advice centre service, helping householders, communities and small businesses throughout West Central Scotland save money, reduce their energy usage and their impact on the environment.

***National Lottery Community Fund***

Grants received from the National Lottery Community Fund were used to fund the Talent Match partnership which has been established to deliver creative ways to help young people find work or start their own enterprises, and also the Wise Steps partnership, led by the Wise Group, in Tyne & Wear, which provides one to one tailored support to help people take positive steps toward work.

***Local Authorities***

Many local authorities fund Wise Group projects, largely the HEEPS/ABS project in Inverclyde where the funding is used to support the delivery of energy efficiency measures to private households in the most deprived areas, who are living in fuel poverty, as well as various other smaller energy advice projects.

***Skills Development Scotland***

Income received from Skills Development Scotland (SDS) is primarily payments towards training courses on behalf of learners who meet the eligibility criteria for SDS Individual Training Accounts.

***Ministry of Justice***

CFO3 is funded through Her Majesty's Prison and Probation Service and allows us to deliver mentoring services to those in custody, to tackle social exclusion. Transforming Rehabilitation was the government's initiative to transform probation services in England. The ARCC consortium which Wise Group are a part of, won the contract to deliver the Community Rehabilitation Company (CRC) services in Durham Tees Valley. Wise Group deliver part of this service called Through the Gate, which assists prisoners to resolve finance and housing issues, amongst others.

The indirect costs are allocated based on full time equivalent employee numbers. The transfer of funds from unrestricted funds to restricted funds of £586,173 is required because the income secured does not cover all of the indirect costs apportioned.

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**19. Defined contribution pension scheme**

The enterprise operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the enterprise in an independently administered fund. The pension cost charge represents contributions payable by the enterprise to the fund during the year and amounted to £384,972 (2019/20: £366,657). There are no outstanding contributions relating to March pay included within creditors (2019/20: £49,561).

**20. Capital commitments**

There are no capital commitments (2019/20: nil).

**21. Ultimate controlling party**

There is no ultimate controlling party.

**22. Status**

The Wise Group is limited by guarantee. Each member is a trustee and has guaranteed an amount of £5.

**23. Related parties**

There were amounts paid to related parties of £39,268 (2019/20: £658) in the year, £1,258 in relation to membership fees and £38,010 in relation to consultancy support with bodies which are related parties of the charity due to directors having common control. There was also funding received from related parties of £5,840 (2019/20: nil) where a director has common control. All transactions were at standard prices with no discounts received.

**24. Post balance sheet events**

The Charity sold the property at Charlotte Street (note 11) on 31 July 2021 for £2,030,000. £1,000,000 was received on the 2 August 2021 with the remaining amount to be paid in due course.