

REGISTERED COMPANY NUMBER: SC120101
REGISTERED CHARITY NUMBER: SC018453

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
ENGAGE RENFREWSHIRE**

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COMPANIES HOUSE

Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

ENGAGE RENFREWSHIRE

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FOR THE YEAR ENDED 31 MARCH 2020**

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ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

During the year ended 31 March 2020, the company's subsidiary undertaking, Childcare First Limited, oversaw the management of one nursery (2019: two) and its aim is to advance the education of pre-school children and the provision of out of school care in deprived areas of Renfrewshire.

ACHIEVEMENT AND PERFORMANCE

Engage Renfrewshire operates with a staffing complement of 3 managers, 4 community officers, 4 finance staff, 2 administrators and 2 cleaning/caretaking staff. The staffing is complemented by volunteers.

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

The company provides community payroll and financial services which this year supported 80 individual clients and 27 organisations. These organisations and individuals employ over 290 members of staff. The company also produces annual monitoring reports for 29 Self-Directed Support Clients. By working closely with each individual who seeks the support of the Payroll Service, the Company aims to remove the worries, anxieties and complications that can contribute to the stress that may be felt by any employer. The service promotes the capacity for development of individuals who are dealing with self-managing their own care by removing the difficulties around what can be a complicated - but often necessary - support need.

Engage Renfrewshire also oversees the independent childcare charity 'Childcare First Limited'. During the prior year, Childcare First transferred part of its business operation to Renfrewshire Council and during 2019/20 provided services from only one nursery. The governance arrangements in place for Childcare First dictate that the financial performance and operations are recorded in Engage Renfrewshire's group of financial accounts. The Chief Executive of Engage Renfrewshire is Chair of the Childcare First Board, and the financial management of Childcare First is undertaken by Engage Renfrewshire.

During 2019/20, Engage Renfrewshire worked within its four key themes - Volunteering, Community Capacity, Social Enterprise and Building the relationship with the Community Planning Partnership.

Volunteering Development

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

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

Community Capacity Development

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

We supported a range of health engagement approaches - our Health Networking Breakfast became very popular in 2019/20 with steady attendance, speakers from public and voluntary sectors, and some fantastic feedback about the effectiveness of the event. The breakfasts and other specific health meetings have also enhanced collaborative working within the Strategic Planning Group for Renfrewshire HSCP, which will be crucial in helping us tackle challenges in 2020 and 2021.

Engage Renfrewshire is an active part of Macmillan Cancer Support's Renfrewshire project "Improving the Cancer Journey", and in the 7 year Barnardo's Strategic Partnership; both crucial projects in improving physical and mental health in Renfrewshire. We also continue to campaign for access to fair and honest finance through RACA (Renfrewshire Affordable Credit Alliance) and for even better pathways for children's and young people's services through the voluntary sector forum; Our Children.

Early Action System Change project

Phase 1 of the Early Action System Change collaborative concluded very successfully with a Learning Event attended by 120 participants from local and national public and voluntary sector groups, including former Chief Medical Officer Sir Harry Burns. £30,000 had been granted in phase 1 to 12 voluntary sector organisations to run very innovative and creative sessions on mental health and coercive control in adolescence. Phase 2 began in August 2020.

Social Enterprise Development

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

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

Engage Renfrewshire's payroll services are available to all local organisations involved in enterprising activity. The service manages approximately £2million of pay per annum. The company aims to alleviate some of the anxieties and complications felt by the employer.

Social Enterprise activities have included:

Community Benefit

Engage Renfrewshire is named as a key support in Renfrewshire Council's Community Benefit Clauses contractual requirements documentation - tenderers are requested to offer Community Benefits that will maximise employment and training opportunities for 'New Entrants'.

A number of our training courses were delivered through Community Benefits; courses such as project management, communications and marketing were of a high quality and of significant relevance to Engage members.

Supporting the Procurement Forum

This year, the company has continued to help guide the Partnership Procurement Forum through specific challenges relating to engagement with the third sector. Procurement officers now manage caseloads and liaise with relevant forum members to ensure community benefits are connected appropriately and effectively to the local third sector network.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

Build the relationship with community planning

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

As a member led organisation the company views its own performance in the context of being able to support its membership with appropriate training, development opportunities, connections through a range of 'networks' and awareness of both national and local public strategy developments.

Through Engage's commitment to facilitating and promoting forums and networking opportunities, to the development and growth of communications and digital, and to supporting improved collaborative working, we continue to ensure that our members are well connected, well resourced, well managed and well represented.

As part of our responsibility to Community Planning this year we supported the Support the Development of the Cultural Legacy Action Plan as members of the Future Paisley Group. The Cultural Regeneration Engagement Group ('CREW') continues to support the Cultural Legacy Plan.

Members Leading

A key responsibility for Engage is encouraging our member organisations to lead and influence policy.

Childcare First

Due to the transfer of Hillview Nursery to Renfrewshire Council in the prior year, Childcare First has operated only one nursery in 2019/20 being Rainbow. Rainbow Nursery entered into 2019/20 with a passion and commitment to embrace this new journey in Childcare First operations, with the biggest challenge being to secure a level of financial sustainability that would enable the service to continue beyond 2020 when Renfrewshire Council Children's Services funding provision ceased. Strategies explored include the implementation of Rainbow Nursery expansion plans. Increasing placements for children aged 3-5 years by using the outdoor sheltered area commenced from April 2019. The uptake of these placements was slower than expected, influenced by holding placements at Rainbow Nursery until February 2019 for previous users of Childcare First - Hillview Nursery. This resulted in a significant reduction in the Nursery waiting list as families had secured alternate childcare. The situation gradually improved and by September 2019, the occupancy of the 3-5 room had increased to 70%. This was impacted by the phasing in of 1,140 free hours of early learning and childcare for children from the lowest ranking households within the Scottish Index of Multiple Deprivation from August 2019. The service found an increase in entitled families with 87% of children aged 3-5 years eligible for an increase in funded hours. Rainbow Nursery experienced a variable occupancy, operating at an average of 75% during 2019-20.

Some of the key accomplishments of Childcare First's Rainbow Nursery during 2019-2020 have included:

The recognition nationally of the Nursery's approach to free flow learning underpinned by the service's Froebelian approach to natural play-based learning indoors and outdoors. This approach was recognised as a best practice model in the collaborative publication by the Care Inspectorate and Scottish Government (July 2019) - Space to Grow: Indoor Outdoor Settings Guidance for creating high quality experience and opportunities for children in indoor/outdoor settings.

The professional development of the workforce has been a key driver in the motivation of the workforce during 2019-2020. The Enhanced Senior Pre-Five Worker graduated from Edinburgh University in Froebel in Childhood Practice, whilst another 3 staff members commenced their Froebelian Journey at Edinburgh and Glasgow Universities.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

ACHIEVEMENT AND PERFORMANCE

The Ready Steady Restore team achieved a full complement of staff in 2019. Since joining the workforce, the new Family Support Coordinator has brought a wealth of experience particularly in early intervention programmes for families with young babies with one of the most influential aspects being the introduction of a Ready, Steady, Baby clothing and equipment bank. This is the first of its kind in Renfrewshire to reach out to families in isolation who are facing financial hardship by providing free maternity, baby and child items.

Families have also engaged in various parental programmes exploring Literacy, Numeracy and Health and Wellbeing such as family baking sessions, exploring digital communication, celebrating children's rights to play outdoors, family sing-alongs and Pre School book clubs.

FINANCIAL REVIEW

Financial position

The results of the group and the charity are shown in the accompanying financial statements.

These show that the group has generated a surplus of £132,166 (2019: £128,698) and has net assets of £1,144,701 (2019: £1,012,535). Of the surplus for the year, £30,000 arose due to actuarial gains arising in respect of the defined benefit scheme (2019: £63,000).

These show that the company has generated a surplus of £53,308 (2019: £31,349) and has net assets of £693,210 (2019: £639,902). Of the surplus for the year, £22,000 arose due to actuarial gains arising in respect of the defined benefit scheme (2019: £9,000).

Principal funding sources

Engage Renfrewshire and Childcare First Limited are dependent upon funding from The Scottish Government and Renfrewshire Council who provide contributory funding to enable them to carry out their charitable objectives. The sums received and the related project costs are shown in the financial statements.

Engage Renfrewshire is required to monitor, evaluate and report progress via a six monthly Interim Report submitted to the Scottish Government Third Sector Unit.

The offer of grant funding from Renfrewshire Council is subject to Engage Renfrewshire being governed and supervised in terms of Renfrewshire Council's undertakings for Condition of Grant.

Reserves policy

It is the policy of the Group that unrestricted funds which are not designated for a specific use should be maintained at a level to ensure the continuing operation of the charity. This is at a level of between three and six months expenditure to smooth the operation of the charity. As at 31 March 2020, the general fund (excluding designated funds) totalled £193,243 (2019: £129,045). A redundancy reserve for the Group of £283,624 (2019: £364,796) is held. This reserve has resulted from discussions with Renfrewshire Council relating to responsibility for meeting potential redundancy obligations arising from cessation of projects.

Going concern

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

Following the initiation of the national lockdown due to the Covid19 pandemic, all staff within the company (out with the Caretaker and Cleaner) successfully began operating remotely. This included the work of the payroll service for Self-Directed Support Clients. All other financial services which provided for a range of third sector groups have also remained fully operational.

Since 'lockdown', to support the third sector, several funds have been set up nationally. Engage Renfrewshire have undertaken additional roles within this new funding landscape to ensure that local organisations are aware of all new opportunities. Engage Renfrewshire has acted as assessors for the Wellbeing Fund application process, provided support for Resilience Fund applicants and provided guidance and assessment support for community anchor organisations delivering Supporting Community Fund programmes. In April 2020, Scottish Government provided an 'Emergency Capacity Boost' for the company of £48,657 in order to support the national response and we expect further discussions regards the company's role locally in the work of 'recovery'.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Going concern - continued

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

With regards to the subsidiary undertaking, Childcare First, as detailed in the Future Plans section below, the trustees had been notified that funding for Childcare First from Renfrewshire Council (2020: £151,000) would cease as from 1 April 2020. Due to the Covid 19 pandemic, the nursery was closed as from March 2020 in compliance with Government requirements. As a consequence, advantage was taken of the Government's Job Retention Scheme and nursery staff were furloughed in order to reduce the company's cost base. This closure has had a significant adverse impact on the nursery fee income which is anticipated will be approximately 40% lower than budget. The nursery reopened in August 2020. Subsequent to the year-end, funding of up to £150,000 has been secured from Renfrewshire Council for the 2020/21 year to encourage sustainability. A budget has been prepared to 31 March 2021 taking account of the committed funding and the impact of Covid 19, and the trustees of Childcare First expect the organisation to be in a position to deliver its services until at least that date albeit, the trustees appreciate that due to the uncertainties associated with the outbreak, that there is uncertainty associated with the budgeting process. No definitive decisions have been made about the activities of Childcare First beyond that date. This will be the subject of future Board decisions in conjunction with the trustees of Engage Renfrewshire. The most likely outcome is that Childcare First will still have at least some financial activity ongoing at a date 12 months from the date of the signing of the financial statements. The organisation aims to ensure that it will meet all of its liabilities as they fall due and therefore, the Board of Childcare First considered the going concern basis of preparation to be appropriate. In the preparation of the group accounts, the trustees of Engage Renfrewshire have assessed the position and agree with this view.

FUTURE PLANS

Engage Renfrewshire will continue to work to deliver against our aims in 2020/21:

- Improving Member Support and Partnership Working

We are committed to listening and responding to the needs of our members, as well as community planning partners and sharing intelligence where possible. In considering our strategy for improving member support, partnership working and network management we are reviewing the responsibilities of all officers within the organisation with regards future operations.

- Digital Participation

Covid 19 crisis has seen communities in all parts of Scotland utilise 'digital' to help with the delivery of crucial food services; collecting medicines and lending a friendly 'ear' to those in need. We have also seen a wide variety of online cultural and fitness activities spring up - local 'TV' broadcasts, dance classes and safe meeting places tackling mental health. As we go forward, working in a new 'normal' way, all of us at Engage Renfrewshire remain committed to digital technology helping Renfrewshire's charities and community groups to be well managed, well resourced, well represented and well connected. The Chief Executive of the Company is the Chair of the Community Planning Partnership's Digital Participation Group. This local digital participation approach aims to improve people's ability to gain access to digital technology and understand how to use it.

- Cultural Regeneration

There is a significant commitment to cultural led regeneration in Renfrewshire which is being led by Renfrewshire Council. The Chief Executive of the company is a member of the Future Paisley Partnership Board and chairs the Cultural Regeneration Engagement Group.

- Partnership

Engage Renfrewshire is working to ensure that community and voluntary sector organisations have a strong voice in public sector provision in Renfrewshire and have significant influence within the Community Planning Partnership. It is the ambition that going forward, the company retains a trusted position with the local authority and other partners.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

FUTURE PLANS - continued

Regarding Childcare First, in 2019, Renfrewshire Council had notified the Board that funding was to be cut by 50% in the year to 31 March 2020 and would cease totally as from 1 April 2020. Due to this, detailed planning, budgets and discussions with staff and the Council have been ongoing and these will direct the actions the Childcare First Board takes over the next year. Due to the Coronavirus pandemic, the nursery was closed as from March 2020 in compliance with Government requirements. As a consequence, advantage was taken of the Government's Job Retention Scheme and the nursery staff were furloughed. The nursery re-opened in August 2020. Subsequent to the year-end, Renfrewshire Council agreed to provide funding of up to £150,000 to Childcare First to assist with meeting the nursery's running costs in the short-term, however, the long term future of the nursery is uncertain.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

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

Recruitment and appointment of new trustees

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

The maximum number of directors is 10. Of these, no more than 3 can be Group Member Directors; no more than 3 can be Individual Member Directors; no more than 2 can be Public/Private Member Directors; and no more than 2 can be Co-opted Directors.

At each Annual General Meeting, the director in each of the first 3 director categories above who has been longest in office since they were last elected shall retire but is eligible for re-election.

Co-opted Directors can be appointed by the Board on the basis that they have specialist skills which are of assistance to the Board. Co-opted Directors must vacate office at each Annual General Meeting but can be re-appointed by the Board.

Organisational structure

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

Induction and training of new trustees

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

Key management remuneration

The directors consider that the Board of Directors, who are the charity trustees, and the senior management team are the key people who oversee direction, focus and operations.

The pay of the senior staff is reviewed annually by the Board of Directors. The Directors consider increases in conjunction with increases awarded to the wider staff team. In addition, the Directors benchmark pay levels with those in other voluntary organisations.

No remuneration was paid to the Trustees for their services.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Risk management

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

The trustees were concerned about the risk of requiring to finance potential future liabilities arising from both Engage Renfrewshire's and Childcare First's participation in the Strathclyde Pension Fund and undertook negotiations with Renfrewshire Council regarding this issue. As detailed in note 18, in September 2018, Renfrewshire Council provided both entities with a guarantee in respect of their participation in the Strathclyde Pension Fund whereby in the event of a 'relevant event' being the charity:-

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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC120101

Registered Charity number
SCO18453

Registered office
10 Falcon Crescent
Paisley
Renfrewshire
PA3 1NS

Trustees

W J Clark

A Dick

Professor D W Hoey

G A McGuinness

Ms G R Murray

Ms H R Simpson

Mrs A McMillan

Mr J G Gillespie

- resigned 8 April 2019

- resigned 31 March 2020

- appointed 19 February 2020

Company Secretary
Burness Paull LLP

Auditors

Martin Aitken & Co Ltd

Statutory Auditor

Chartered Accountants

Caledonia House

89 Seaward Street

Glasgow

G41 1HJ

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020

Solicitors

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

Bankers

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

Senior Management

Alan McNiven - Chief Executive
Jacqueline Carroll - Head of Finance

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group's transactions and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Martin Aitken & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 30 September 2020 and signed on its behalf by:



A Dick - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Opinion

We have audited the financial statements of Engage Renfrewshire (the 'charitable company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Company Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 group's and the parent charitable company's affairs as at 31 March 2020 and of the group's and the parent charitable company's 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 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.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements which highlights the ongoing uncertainty related to the current Coronavirus pandemic. It is unclear how future funding may be affected by the economic effects of the pandemic. This indicates the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, prepared for the purposes of company law and included within the Report of the Trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, included within the Report of the Trustees, 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 Directors' Report, included within the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption in preparing the Directors' Report, included within the Report of the Trustees, and from the requirements to prepare a Strategic Report.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

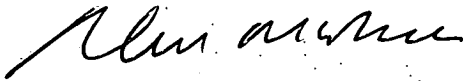
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Use of our report

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



Mark McRae CA (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

30 September 2020

ENGAGE RENFREWSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME FROM					
Donations and legacies	3	-	762,005	762,005	864,005
Charitable activities	5				
Charitable Activities		350,509	76,000	426,509	534,508
Investment income	4	2,135	-	2,135	1,291
Total		352,644	838,005	1,190,649	1,399,804
EXPENDITURE ON					
Charitable activities	6				
Charitable Activities		291,398	797,085	1,088,483	1,334,106
Total		291,398	797,085	1,088,483	1,334,106
NET INCOME		61,246	40,920	102,166	65,698
Transfers between funds		(104)	104	-	-
		61,142	41,024	102,166	65,698
Other recognised gains/(losses)	18				
Actuarial gains on defined benefit schemes		30,000	-	30,000	63,000
Net movement in funds		91,142	41,024	132,166	128,698
RECONCILIATION OF FUNDS					
Total funds brought forward		941,725	70,810	1,012,535	883,837
TOTAL FUNDS CARRIED FORWARD		<u>1,032,867</u>	<u>111,834</u>	<u>1,144,701</u>	<u>1,012,535</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME FROM					
Donations and legacies	3	-	605,018	605,018	561,008
Charitable activities	5				
Charitable Activities		67,413	-	67,413	78,099
Investment income	4	1,196	-	1,196	766
Total		68,609	605,018	673,627	639,873
 EXPENDITURE ON					
Charitable activities	6				
Charitable Activities		69,935	572,384	642,319	617,524
Total		69,935	572,384	642,319	617,524
 NET INCOME/(EXPENDITURE)		(1,326)	32,634	31,308	22,349
Transfers between funds		(104)	104	-	-
		(1,430)	32,738	31,308	22,349
 Other recognised gains/(losses)	18				
Actuarial gains on defined benefit schemes		22,000	-	22,000	9,000
Net movement in funds		20,570	32,738	53,308	31,349
 RECONCILIATION OF FUNDS					
Total funds brought forward		633,144	6,758	639,902	608,553
 TOTAL FUNDS CARRIED FORWARD		<u>653,714</u>	<u>39,496</u>	<u>693,210</u>	<u>639,902</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements


ENGAGE RENFREWSHIRE

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	14	916	-	916	1,188
CURRENT ASSETS					
Debtors	15	53,522	-	53,522	44,065
Cash at bank and in hand		<u>1,062,982</u>	<u>111,834</u>	<u>1,174,816</u>	<u>1,099,927</u>
		1,116,504	111,834	1,228,338	1,143,992
CREDITORS					
Amounts falling due within one year	16	(84,553)	-	(84,553)	(132,645)
NET CURRENT ASSETS		<u>1,031,951</u>	<u>111,834</u>	<u>1,143,785</u>	<u>1,011,347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,032,867	111,834	1,144,701	1,012,535
PENSION LIABILITY	18	-	-	-	-
NET ASSETS		<u>1,032,867</u>	<u>111,834</u>	<u>1,144,701</u>	<u>1,012,535</u>
FUNDS	17				
Unrestricted funds					
General funds				193,243	129,045
Designated funds				839,624	812,680
				<u>1,032,867</u>	<u>941,725</u>
Restricted funds				111,834	70,810
TOTAL FUNDS				<u>1,144,701</u>	<u>1,012,535</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 30 September 2020 and were signed on its behalf by:


A Dick -Trustee

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

BALANCE SHEET AT 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	14	916	-	916	1,188
CURRENT ASSETS					
Debtors	15	53,732	-	53,732	26,781
Cash at bank and in hand		<u>632,973</u>	<u>39,496</u>	<u>672,469</u>	<u>674,627</u>
		686,705	39,496	726,201	701,408
CREDITORS					
Amounts falling due within one year	16	(33,907)	-	(33,907)	(62,694)
NET CURRENT ASSETS		<u>652,798</u>	<u>39,496</u>	<u>692,294</u>	<u>638,714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		653,714	39,496	693,210	639,902
NET ASSETS		<u>653,714</u>	<u>39,496</u>	<u>693,210</u>	<u>639,902</u>
FUNDS	17				
Unrestricted funds					
General funds				74,090	67,636
Designated funds				<u>579,624</u>	<u>565,508</u>
				653,714	633,144
Restricted funds				<u>39,496</u>	<u>6,758</u>
TOTAL FUNDS				<u>693,210</u>	<u>639,902</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 30 September 2020 and were signed on its behalf by:



.....
A Dick -Trustee

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>72,754</u>	<u>90,554</u>
Net cash provided by (used in) operating activities		<u>72,754</u>	<u>90,554</u>
Cash flows from investing activities:			
Sale of tangible fixed assets		-	1
Interest received		<u>2,135</u>	<u>1,291</u>
Net cash provided by (used in) investing activities		<u>2,135</u>	<u>1,292</u>
Change in cash and cash equivalents in the reporting period		74,889	91,846
Cash and cash equivalents at the beginning of the reporting period		<u>1,099,927</u>	<u>1,008,081</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,174,816</u></u>	<u><u>1,099,927</u></u>

The notes form part of these financial statements

ENGAGE RENFREWSHIRE

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	102,166	65,698
Adjustments for:		
Depreciation charges	272	291
Loss on disposal of fixed assets	-	1,534
Interest received	(2,135)	(1,291)
Pension finance credit	(13,000)	(15,000)
(Increase) in debtors	(9,457)	(27,472)
(Decrease)/increase in creditors	(48,092)	20,794
Difference between pension charge and cash contributions	<u>43,000</u>	<u>46,000</u>
Net cash provided by (used in) operating activities	<u>72,754</u>	<u>90,554</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 31/3/20 £
Net cash			
Cash at bank and in hand	1,099,927	74,889	1,174,816
Total	<u>1,099,927</u>	<u>74,889</u>	<u>1,174,816</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. There are no material departures from this standard. The financial statements are presented in Sterling (£).

Basis of consolidation

The financial statements consolidate the accounts of Engage Renfrewshire and its subsidiary undertaking, Childcare First, a company limited by guarantee (Registered company number: SC279472; Registered charity number: SC036606). The consolidated accounts are prepared under the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. The results of the subsidiary are consolidated on a line-to-line basis. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

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

The subsidiary, Childcare First, has been impacted by both the cessation of the annual grant funding from Renfrewshire Council as from 1 April 2020 and by the ongoing Covid 19 pandemic. For the reasons set out in the Trustees' Report, the financial statements of this entity have been prepared on a going concern basis. However, due to the annual grant funding from Renfrewshire Council ceasing as from 1 April 2020 and due to the ongoing Coronavirus pandemic, there is the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Although post year-end funding of up to £150,000 has been secured from Renfrewshire Council to meet the running costs of its nursery in the short-term, the long-term future of the nursery is uncertain. As Childcare First operates separately from its parent undertaking, this uncertainty does not impact on the going concern position of Engage Renfrewshire.

Judgements

The charity considers on an annual basis the judgements that are made by management when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The Trustees consider there are no such significant judgements.

Information and key sources of estimation uncertainty

In the application of the group's and the charity's accounting policies, the Trustees are required to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The group and the charity do not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably. Income from government and other grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income from parental fees, commission places, lunch fees and rental income is recognised in the period in which the services are provided.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

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

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

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Unrestricted designated funds are funds which have been placed in reserve by the trustees to meet future specified costs or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

In addition, the company and its subsidiary undertaking operate defined contribution pension schemes and the pension charge represents the amounts payable by the companies to the Fund in respect of the year.

Interest receivable

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

Financial instruments

The charity and its subsidiary undertaking only enter into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments like trade and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Provisions

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. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Operating lease commitments

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

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

3. DONATIONS AND LEGACIES

Group

	2020 £	2019 £
Grants	<u>762,005</u>	<u>864,005</u>

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

	2020 £	2019 £
Scottish Government	198,400	198,400
Renfrewshire Council	517,597	663,605
Big Lottery Community Fund- Improving Lives	35,758	-
Scottish Council for Voluntary Organisations	10,250	-
Other grants	-	2,000
	<u>762,005</u>	<u>864,005</u>

Company

	2020 £	2019 £
Grants	<u>605,018</u>	<u>561,008</u>

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

	2020 £	2019 £
Scottish Government	198,400	198,400
Renfrewshire Council	360,610	360,608
Big Lottery Community Fund – Improving Lives	35,758	-
Scottish Council for Voluntary Organisations	10,250	-
Other grants	-	2,000
	<u>605,018</u>	<u>561,008</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

4. INVESTMENT INCOME

Group		2020	2019
		£	£
Deposit account interest		<u>2,135</u>	<u>1,291</u>
Company		2020	2019
		£	£
Deposit account interest		<u>1,196</u>	<u>766</u>

5. INCOME FROM CHARITABLE ACTIVITIES

Group		2020	2019
	Activity	£	£
Rental income	Charitable Activities	23,306	19,592
Other income	Charitable Activities	68,324	48,598
Grants	Charitable Activities	75,000	94,000
Lunch fees	Charitable Activities	-	6,262
Commission places	Charitable Activities	21,893	12,745
Hillview – parental fees	Charitable Activities	-	172,530
Rainbow – parental fees	Charitable Activities	<u>237,986</u>	<u>180,781</u>
		<u>426,509</u>	<u>534,508</u>

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

	2020	2019
	£	£
Big Lottery	75,000	75,000
Robertson Trust	-	15,000
Other grants	-	4,000
	<u>75,000</u>	<u>94,000</u>

Company

	2020	2019
	£	£
Rental income	23,306	19,592
Other income	44,107	54,507
Grants	-	4,000
	<u>67,413</u>	<u>78,099</u>

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

	2020	2019
	£	£
STV Children's Appeal	-	4,000
	<u>-</u>	<u>4,000</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

6. CHARITABLE ACTIVITIES COSTS

Group

	Direct costs (See note 7)	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Charitable Activities	<u>1,037,954</u>	<u>1,000</u>	<u>50,529</u>	<u>1,088,483</u>

Company

	Direct costs (See note 7)	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Charitable Activities	<u>617,258</u>	<u>1,000</u>	<u>24,061</u>	<u>642,319</u>

Group

	2020 £	2019 £
Staff costs	792,116	951,807
Rent, rates and water	8,794	17,349
Insurance	10,881	13,497
Light and heat	22,376	36,365
Telephone	13,336	12,804
Postage and stationery	8,281	15,278
Advertising	10,477	14,105
Sundries	11,483	5,028
Repairs and maintenance	26,352	30,470
Computer expenses	39,996	21,127
Equipment renewal	2,475	2,176
Cleaning costs	5,817	7,510
Travel and subsistence	2,952	1,987
Training costs	12,927	28,010
Staff wellbeing costs	1,549	2,218
Other staff costs	5,033	5,311
Depreciation	272	291
Project adaptations	-	500
Sessional costs	50,681	96,736
Childcare costs	15,156	13,020
Food purchases	8,759	11,592
Recruitment	241	825
Grants to institutions	1,000	-
Pension finance credit	(13,000)	(15,000)
Loss on disposal of assets	-	1,534
	<u>1,037,954</u>	<u>1,274,540</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

7. DIRECT COSTS OF CHARITABLE ACTIVITIES - continued

Company	2020 £	2019 £
Staff costs	494,802	470,355
Rates and water	3,797	5,079
Insurance	6,079	6,702
Light and heat	12,458	9,717
Telephone	8,852	8,294
Postage and stationery	5,237	5,130
Advertising	10,477	14,105
Sundries	10,145	3,041
Repairs and maintenance	19,121	17,226
Computer expenses	39,996	21,127
Cleaning costs	3,364	4,388
Travel and subsistence	1,188	2,152
Training costs	7,826	25,482
Staff wellbeing costs	1,549	2,218
Other staff costs	4,095	3,813
Depreciation	272	291
Project adaptations	-	500
Pension finance credit	(12,000)	(16,000)
Loss on disposal of assets	-	1,534
	<u>617,258</u>	<u>585,154</u>

8. GRANTS PAYABLE

	2020 £	2019 £
Charitable Activities – grant to Toddle Tots	<u>1,000</u>	<u>-</u>

9. SUPPORT COSTS

Group	Finance £	Other Governance costs £	Totals £
Charitable Activities	<u>772</u>	<u>9,015</u> <u>40,742</u>	<u>50,529</u>

Support costs, included in the above, are as follows:

	2020 Charitable Activities £	2019 Total activities £
Bank charges	772	790
Auditors' remuneration	18,876	21,591
Accountancy and legal fees	21,866	31,630
IT costs	<u>9,015</u>	<u>5,555</u>
	<u>50,529</u>	<u>59,566</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

9. SUPPORT COSTS – continued

Company

	Finance £	Governance costs £	Totals £
Charitable Activities	<u>772</u>	<u>23,289</u>	<u>24,061</u>

Support costs, included in the above, are as follows:

	2020 Charitable Activities £	2019 Total activities £
Bank charges	772	790
Auditors' remuneration	11,000	11,280
Accountancy and legal fees	<u>12,289</u>	<u>20,300</u>
	<u>24,061</u>	<u>32,370</u>

10. NET INCOME/(EXPENDITURE)

Group

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

	2020 £	2019 £
Auditors' remuneration	18,876	21,591
Depreciation - owned assets	272	291
Loss on disposal of fixed assets	<u>-</u>	<u>1,534</u>

Company

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

	2020 £	2019 £
Auditors' remuneration	11,000	11,280
Depreciation - owned assets	272	291
Loss on disposal of fixed assets	<u>-</u>	<u>1,534</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

12. STAFF COSTS

Group

	2020	2019
	£	£
Wages and salaries	638,952	778,734
Social security costs	45,940	55,258
Other pension costs	107,224	117,815
	<u>792,116</u>	<u>951,807</u>

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

	2020	2019
Service providers	7	7
Administration	7	7
Nursery and sessional staff	21	40
	<u>35</u>	<u>54</u>

Company

	2020	2019
	£	£
Wages and salaries	383,599	371,808
Social security costs	30,929	30,253
Other pension costs	80,274	68,294
	<u>494,802</u>	<u>470,355</u>

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

	2020	2019
Service providers	7	7
Administration	7	7
	<u>14</u>	<u>14</u>

Group and company

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

	2020	2019
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the parent company comprise the trustees, the Chief Executive and the Head of Finance. During the year, total remuneration of £117,254 (2019: £114,882) was paid to the key management personnel of the parent company.

The key management personnel of the group comprise those of the parent company and the key management personnel of its wholly owned subsidiary undertaking, Childcare First. The key management personnel of the subsidiary are its trustees (who are not remunerated) and the Nursery Manager whose employee benefits total £42,074 (2019: £40,541). The remuneration of the key management personnel of the group was therefore £159,328 (2019: £155,423).

ENGAGE RENFREWSHIRE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	2,000	862,005	864,005
Charitable activities			
Charitable Activities	440,508	94,000	534,508
Investment income	<u>1,291</u>	<u>-</u>	<u>1,291</u>
Total	443,799	956,005	1,399,804
EXPENDITURE ON			
Charitable activities			
Charitable Activities	<u>413,989</u>	<u>920,117</u>	<u>1,334,106</u>
Total	413,989	920,117	1,334,106
NET INCOME	29,810	35,888	65,698
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	<u>63,000</u>	<u>-</u>	<u>63,000</u>
Net movement in funds	92,810	35,888	128,698
RECONCILIATION OF FUNDS			
Total funds brought forward	848,915	34,922	883,837
TOTAL FUNDS CARRIED FORWARD	<u>941,725</u>	<u>70,810</u>	<u>1,012,535</u>

ENGAGE RENFREWSHIRE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (continued)

Company	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	2,000	559,008	561,008
Charitable activities			
Charitable Activities	74,099	4,000	78,099
Investment income	<u>766</u>	<u>-</u>	<u>766</u>
Total	76,865	563,008	639,873
EXPENDITURE ON			
Charitable activities			
Charitable Activities	<u>47,984</u>	<u>569,540</u>	<u>617,524</u>
Total	47,984	569,540	617,524
NET INCOME/(EXPENDITURE)	28,881	(6,532)	22,349
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Net movement in funds	37,881	(6,532)	31,349
RECONCILIATION OF FUNDS			
Total funds brought forward	595,263	13,290	608,553
TOTAL FUNDS CARRIED FORWARD	<u>633,144</u>	<u>6,758</u>	<u>639,902</u>

ENGAGE RENFREWSHIRE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

14. TANGIBLE FIXED ASSETS

Group	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 April 2019 and 31 March 2020	<u>65,105</u>	<u>35,620</u>	<u>100,725</u>
DEPRECIATION			
At 1 April 2019	65,105	34,432	99,537
Charge for year	<u>-</u>	<u>272</u>	<u>272</u>
At 31 March 2020	<u>65,105</u>	<u>34,704</u>	<u>99,809</u>
NET BOOK VALUE			
At 31 March 2020	<u>-</u>	<u>916</u>	<u>916</u>
At 31 March 2019	<u>-</u>	<u>1,188</u>	<u>1,188</u>
Company	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 April 2019 and 31 March 2020	<u>65,105</u>	<u>32,320</u>	<u>97,425</u>
DEPRECIATION			
At 1 April 2019	65,105	31,132	96,237
Charge for year	<u>-</u>	<u>272</u>	<u>272</u>
At 31 March 2020	<u>65,105</u>	<u>31,404</u>	<u>96,509</u>
NET BOOK VALUE			
At 31 March 2020	<u>-</u>	<u>916</u>	<u>916</u>
At 31 March 2019	<u>-</u>	<u>1,188</u>	<u>1,188</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2020	2019
	£	£
Trade debtors	46,550	37,833
Prepayments and accrued income	6,972	6,232
	<u>53,522</u>	<u>44,065</u>

Company

	2020	2019
	£	£
Trade debtors	47,908	21,771
Prepayments and accrued income	5,824	5,010
	<u>53,732</u>	<u>26,781</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2020	2019
	£	£
Trade creditors	11,158	7,704
Social security and other taxes	15,051	20,047
Other creditors	39,182	78,886
Accruals and deferred income	19,162	26,008
	<u>84,553</u>	<u>132,645</u>

During 2018/2019, the parent charity entered into a service level agreement with another charitable organisation to manage funds on its behalf. Other creditors includes £26 (2019: £30,000) of funds received by the charity under this agreement which are held for distribution to eligible organisations.

Company

	2020	2019
	£	£
Trade creditors	6,822	5,700
Social security and other taxes	10,479	8,453
Other creditors	3,557	34,894
Accruals and deferred income	13,049	13,647
	<u>33,907</u>	<u>62,694</u>

During 2018/2019, the parent charity entered into a service level agreement with another charitable organisation to manage funds on its behalf. Other creditors includes £26 (2019: £30,000) of funds received by the charity under this agreement which are held for distribution to eligible organisations.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS

Group	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General Fund – Engage Renfrewshire	67,636	30,892	(24,438)	74,090
General Fund – Childcare First	61,409	70,572	(12,828)	119,153
	<u>129,045</u>	<u>101,464</u>	<u>(37,266)</u>	<u>193,243</u>
Designated funds				
Pension Reserve – Engage Renfrewshire	350,000	-	-	350,000
Pension Reserve – Childcare First	32,000	-	68,000	100,000
Redundancy Reserve – Engage Renfrewshire	189,624	-	-	189,624
Redundancy Reserve – Childcare First	175,172	-	(81,172)	94,000
Capital Fund – Engage Renfrewshire	5,884	-	14,116	20,000
Digital Reserve – Engage Renfrewshire	20,000	(10,218)	10,218	20,000
Business Responsibilities Reserve – Childcare First	40,000	-	26,000	66,000
	<u>812,680</u>	<u>(10,218)</u>	<u>37,162</u>	<u>839,624</u>
Total	941,725	91,246	(104)	1,032,867
Restricted funds				
Credit Union - Engage	4,084	(1,515)	-	2,569
STV Appeal - Engage	2,674	(1,000)	-	1,674
Ready Steady Restore – Childcare First	64,052	5,611	-	69,663
Expansion Fund - Childcare First	-	1,675	-	1,675
Community Development Fund – Childcare First	-	1,000	-	1,000
SCVO One Digital: Investing in Success – Engage	-	(104)	104	-
National Lottery Community Fund - Engage	-	35,253	-	35,253
	<u>70,810</u>	<u>40,920</u>	<u>104</u>	<u>111,834</u>
TOTAL FUNDS	1,012,535	132,166	-	1,144,701

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS - continued

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

Group	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund – Engage Renfrewshire	68,609	(59,717)	22,000	30,892
General Fund – Childcare First	294,035	(231,463)	8,000	70,572
Digital Reserve - Engage	-	(10,218)	-	(10,218)
	<u>362,644</u>	<u>(301,398)</u>	<u>30,000</u>	<u>91,246</u>
Inter-group transaction eliminated	<u>(10,000)</u>	<u>10,000</u>	-	-
	<u>352,644</u>	<u>(291,398)</u>	<u>30,000</u>	<u>91,246</u>
Restricted funds				
Renfrewshire Council – Core Funding – Engage Renfrewshire	360,610	(360,610)	-	-
Scottish Government – Core Funding – Engage Renfrewshire	198,400	(198,400)	-	-
Renfrewshire Council – Core Funding – Childcare First	151,000	(151,000)	-	-
Credit Union – Engage Renfrewshire	-	(1,515)	-	(1,515)
STV Appeal – Engage Renfrewshire	-	(1,000)	-	(1,000)
Ready Steady Restore – Childcare First	75,000	(69,389)	-	5,611
Expansion Fund – Childcare First	5,987	(4,312)	-	1,675
Community Development Fund – Childcare First	1,000	-	-	1,000
SCVO One Digital: Investing in Success – Engage Renfrewshire	9,250	(9,354)	-	(104)
National Lottery Community Fund – Engage Renfrewshire	35,758	(505)	-	35,253
SCVO: Cyber Essentials – Engage Renfrewshire	1,000	(1,000)	-	-
	<u>838,005</u>	<u>(797,085)</u>	<u>-</u>	<u>40,920</u>
TOTAL FUNDS	<u>1,190,649</u>	<u>(1,088,483)</u>	<u>30,000</u>	<u>132,166</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

Group	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted Funds				
General Fund – Engage Renfrewshire	84,135	37,881	(54,380)	67,636
General Fund – Childcare First	<u>70,480</u>	<u>929</u>	<u>(10,000)</u>	<u>61,409</u>
	<u>154,615</u>	<u>38,810</u>	<u>(64,380)</u>	<u>129,045</u>
Designated funds				
Pension Reserve – Engage Renfrewshire	350,000	-	-	350,000
Pension Reserve – Childcare First	(32,000)	54,000	10,000	32,000
Redundancy Reserve – Engage Renfrewshire	135,244	-	54,380	189,624
Redundancy Reserve – Childcare First	175,172	-	-	175,172
Capital Fund - Engage	5,884	-	-	5,884
Digital - Engage	20,000	-	-	20,000
Business Responsibilities – Childcare First	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
	<u>694,300</u>	<u>54,000</u>	<u>64,380</u>	<u>812,680</u>
Total	848,915	92,810	-	941,725
Restricted Funds				
Credit Union – Engage Renfrewshire	11,085	(7,001)	-	4,084
STV Appeal – Engage Renfrewshire	4	2,670	-	2,674
Joint Employability Programme – Engage	2,201	(2,201)	-	-
Ready Steady Restore – Childcare First	21,041	43,011	-	64,052
Flightpath outing – Childcare First	<u>591</u>	<u>(591)</u>	<u>-</u>	<u>-</u>
	<u>34,922</u>	<u>35,888</u>	<u>-</u>	<u>70,810</u>
TOTAL FUNDS	<u>883,837</u>	<u>128,698</u>	<u>-</u>	<u>1,012,535</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS - continued

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

Group	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund – Engage Renfrewshire	76,865	(47,984)	9,000	37,881
General Fund – Childcare First	381,934	(381,005)	-	929
Pension reserve – Childcare First	-	-	54,000	54,000
	458,799	(428,989)	63,000	92,810
Inter group transaction eliminated	(15,000)	15,000	-	-
	443,799	(413,989)	63,000	92,810
Restricted funds				
Renfrewshire Council – Core Funding – Engage Renfrewshire	360,608	(360,608)	-	-
Renfrewshire Council – Core Funding – Childcare First	302,997	(302,997)	-	-
Scottish Government – Core Funding – Engage Renfrewshire	198,400	(198,400)	-	-
Credit Union – Engage Renfrewshire	-	(7,001)	-	(7,001)
STV Appeal – Engage Renfrewshire	4,000	(1,330)	-	2,670
Joint Employability Programme – Engage Renfrewshire	-	(2,201)	-	(2,201)
Ready Steady Restore – Childcare First	90,000	(46,989)	-	43,011
Flightpath outing – Childcare First	-	(591)	-	(591)
	956,005	(920,117)	-	35,888
TOTAL FUNDS	1,399,804	(1,334,106)	63,000	128,698

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS

Company	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	<u>67,636</u>	<u>30,892</u>	<u>(24,438)</u>	<u>74,090</u>
Designated funds				
Pension Reserve	350,000	-	-	350,000
Redundancy Reserve	189,624	-	-	189,624
Capital Fund	5,884	-	14,116	20,000
Digital Reserve	<u>20,000</u>	<u>(10,218)</u>	<u>10,218</u>	<u>20,000</u>
	<u>565,508</u>	<u>(10,218)</u>	<u>24,334</u>	<u>579,624</u>
Total	633,144	20,674	(104)	653,714
Restricted funds				
Credit Union	4,084	(1,515)	-	2,569
STV Appeal	2,674	(1,000)	-	1,674
SCVO One Digital: Investing in Success	-	(104)	104	-
National Lottery Community Fund	<u>-</u>	<u>35,253</u>	<u>-</u>	<u>35,253</u>
	<u>6,758</u>	<u>32,634</u>	<u>-</u>	<u>39,496</u>
TOTAL FUNDS	<u>639,902</u>	<u>53,308</u>	<u>-</u>	<u>693,210</u>

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

Company	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	68,609	(59,717)	22,000	30,892
Digital Reserve	-	(10,218)	-	(10,218)
	<u>68,609</u>	<u>(69,935)</u>	<u>22,000</u>	<u>20,674</u>
Restricted funds				
Renfrewshire Council – Core Funding	360,610	(360,610)	-	-
Scottish Government – Core Funding	198,400	(198,400)	-	-
Credit Union	-	(1,515)	-	(1,515)
STV Appeal	-	(1,000)	-	(1,000)
SCVO One Digital: Investing in Success	9,250	(9,354)	-	(104)
National Lottery Community Fund	35,758	(505)	-	35,253
SCVO: Cyber Essentials	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
	<u>605,018</u>	<u>(572,384)</u>	<u>-</u>	<u>32,634</u>
TOTAL FUNDS	<u>673,627</u>	<u>(642,319)</u>	<u>22,000</u>	<u>53,308</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

Company	At 1/4/18 £	Net movement in funds £	Transfers between funds £	At 31/3/19 £
Unrestricted Funds				
General fund	<u>84,135</u>	<u>37,881</u>	<u>(54,380)</u>	<u>67,636</u>
Designated funds				
Pension Reserve	350,000	-	-	350,000
Redundancy Reserve	135,244	-	54,380	189,624
Capital Fund	5,884	-	-	5,884
Digital Reserve	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
	<u>511,128</u>	<u>-</u>	<u>54,380</u>	<u>565,508</u>
Total	<u>595,263</u>	<u>37,881</u>	<u>-</u>	<u>633,144</u>
Restricted Funds				
Credit Union	11,085	(7,001)	-	4,084
STV Appeal	4	2,670	-	2,674
Joint Employability Programme	<u>2,201</u>	<u>(2,201)</u>	<u>-</u>	<u>-</u>
	<u>13,290</u>	<u>(6,532)</u>	<u>-</u>	<u>6,758</u>
TOTAL FUNDS	<u>608,553</u>	<u>31,349</u>	<u>-</u>	<u>639,902</u>

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

Company	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	76,865	(47,984)	9,000	37,881
Restricted funds				
Renfrewshire Council – Core Funding	360,608	(360,608)	-	-
Scottish Government – Core Funding	198,400	(198,400)	-	-
Credit Union	-	(7,001)	-	(7,001)
STV Appeal	4,000	(1,330)	-	2,670
Joint Employability Programme	<u>-</u>	<u>(2,201)</u>	<u>-</u>	<u>(2,201)</u>
	<u>563,008</u>	<u>(569,540)</u>	<u>-</u>	<u>(6,532)</u>
TOTAL FUNDS	<u>639,873</u>	<u>(617,524)</u>	<u>9,000</u>	<u>31,349</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020

17. MOVEMENT IN FUNDS - continued

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

In prior years, Renfrewshire Council had provided Engage Renfrewshire with funds for the purpose of developing a Credit Union. As at 31 March 2020, there are unspent funds totalling £2,569 (2019: £4,084).

For Engage Renfrewshire, the restricted STV Appeal Fund of £1,674 (2019: £2,674) relates to funds received to provide children's services.

For Engage Renfrewshire, the Designated Redundancy Reserve has been included at £189,624 (2019: £189,624). For Childcare First, the Designated Redundancy Reserve Fund has been reduced to £94,000 (2019: £175,172). These provisions are to cover the costs of redundancies in the event that the companies require to be wound up.

For Engage Renfrewshire, during the year, expenditure was incurred in respect of computer equipment totalling £10,218 and this was offset against the Designated Digital Reserve. However, this fund has been increased by £10,218 to be retained at £20,000 (2019: £20,000) to cover the costs of further IT and digital upgrades. In addition, the Designated Capital Fund has been increased to £20,000 (2019: £5,884) to cover the costs of property improvements.

For Engage Renfrewshire, during the year, funds of £35,758 were received from the National Lottery Community Fund to assist in the creation of a 'New Buddies' integration project aimed at supporting the integration of BME communities into Renfrewshire life. Of this, £505 was expended by the year-end and the balance carried forward on this fund as at 31 March 2020 amounts to £35,253.

In addition, during the year, funds of £9,250 were received from SCVO in relation to a One Digital: Investing in Success programme aimed at addressing social exclusion issues through the promotion of essential digital skills. These funds were fully expended by the year end.

For Engage Renfrewshire, as highlighted in note 18, the pension scheme surplus as at 31 March 2020 determined by the scheme actuaries on a FRS 102 basis was £563,000 (2019: £501,000). The surplus has arisen due to the customising of underlying actuarial assumptions and in the opinion of the trustees, the surplus will be short term as the overall trend within the scheme in the medium to long term is expected to be one of increased liabilities. Consequently, the trustees have considered it to be prudent to set up a Designated Pension Reserve in the amount of £350,000 (2019: £350,000) to absorb any future fluctuations in value.

For Childcare First, the pension scheme surplus as at 31 March 2020 determined by the scheme actuaries on a FRS 102 basis was £53,000 (2019: £28,000). As the trustees consider the trend in the scheme to be one of increasing liabilities in the medium to long term, this improvement is considered to be short term. As a consequence, the above asset has been curtailed and the surplus/deficit as at 31 March 2020 has been reflected in the financial statements at £nil. In light of the trustees' view that the deficit in the pension scheme is likely to grow over the next few years, as at 31 March 2018, the trustees set up a Designated Pension Reserve in the amount of the pension scheme deficit as at 31 March 2018 of £32,000 to absorb any future fluctuations in value by way of a transfer from unrestricted general reserves. Having reviewed the position with the pension scheme, the trustees consider it to be prudent to increase this reserve to £100,000 as at 31 March 2020.

For Childcare First, during the year, additional funding was received from the Big Lottery for the Ready Steady Restore project which is included in a restricted reserve. The Ready Steady Restore project aims to provide a flexible programme of activities to promote well-being, confidence and stronger life skills. This project is ongoing until May 2020 although this has been extended until all of the funding has been used.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2020**

17. MOVEMENT IN FUNDS - continued

For Childcare First, during the year, an amount of £5,987 was received from Renfrewshire Council to fund professional development in the Froebelian approach to natural play-based learning for children. Of this, £4,312 has been expended during the year. The balance of £1,675 has been included as a restricted reserve as at 31 March 2020.

For Childcare First, during the year, an amount of £1,000 was donated to the company to be used to develop a Froebel planting garden. Of this, £nil had been expended by 31 March 2020 and the balance of £1,000 has been included as a restricted reserve as at 31 March 2020.

For Childcare First, the Designated Business Responsibilities Reserve of £66,000 (2019: £40,000) is to cover the costs of extending Rainbow Nursery and any costs associated with the company's funding issues and any potential restructuring required.

18. EMPLOYEE BENEFIT OBLIGATIONS

DEFINED BENEFIT SCHEME

The company and its subsidiary undertaking participate in the Strathclyde Pension Fund (SPF), a defined benefit scheme and have their assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The last triennial valuation was carried out at 31 March 2017. The principal assumptions used were as follows:-

Valuation date	31 March 2017
Valuation method	Projected unit
Market value of assets	£19,699 million
Actuarial assumptions:	
Discount rate	3.7%
Salary increase rate	3.6%
Price inflation	2.4%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI2018 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.5% p.a. for males and 1.25% p.a. for females. Based on these assumptions, the average life expectancies at age 65 are as follows:

	Male	Female
Current pensioners	20.7	22.9
Future pensioners	22.2	24.6

For the purposes of FRS 102, an actuarial valuation of each company's section of the Fund as at 31 March 2020 was calculated by the actuary on the projected unit method of valuation. The actuarial assumptions to be applied in the calculations were considered and were customised to the specific circumstances of each entity. The actuary adopted the revised assumptions detailed below in his calculations and these have been agreed by the Board of Trustees:-

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

Company

	2020	2019
Discount rate	2.45%	2.6%
Future salary increases	3%	3%
Future pension increases	1.9%	2.35%

Childcare First

	2020	2019
Discount rate	2.45%	2.6%
Future salary increases	3%	3%
Future pension increases	1.85%	2.35%

Group

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(5,205,000)	(5,579,000)
Present value of unfunded obligations	(65,000)	(71,000)
Fair value of plan assets	<u>5,886,000</u>	<u>6,179,000</u>
Net surplus / (deficit)	616,000	529,000
Less curtailment of scheme assets	<u>(616,000)</u>	<u>(529,000)</u>
Net surplus/(deficit)	<u>-</u>	<u>-</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	86,000	102,000
Net interest from defined benefit asset/liability	<u>(13,000)</u>	<u>(15,000)</u>
	<u>73,000</u>	<u>87,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Defined benefit obligation	5,650,000	5,247,000
Current service cost	86,000	102,000
Contributions by scheme participants	13,000	17,000
Interest cost	147,000	142,000
Benefits paid	(88,000)	(94,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(215,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(299,000)	236,000
Other experience remeasurement	<u>(24,000)</u>	<u>-</u>
	<u>5,270,000</u>	<u>5,650,000</u>

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2020	2019
	£	£
Fair value of scheme assets	6,179,000	5,853,000
Contributions by employer	39,000	52,000
Contributions by scheme participants	13,000	17,000
Expected return	160,000	157,000
Benefits paid	(84,000)	(90,000)
Return on plan assets (excluding interest income)	(421,000)	190,000
	<u>5,886,000</u>	<u>6,179,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses) from changes in demographic assumptions	215,000	-
Actuarial gains/(losses) from changes in financial assumptions	299,000	(236,000)
Other experience remeasurement gains/(losses)	24,000	-
Return on plan assets (excluding interest income)	(421,000)	190,000
	<u>117,000</u>	<u>(46,000)</u>
Curtailment of scheme surplus	(87,000)	109,000
	<u>30,000</u>	<u>63,000</u>

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

	Defined benefit pension plans	
	2020	2019
Equities	59%	64%
Bonds	26%	24%
Property	13%	10%
Cash	2%	2%

The employer contributions for the group for the year ended 31 March 2021 will be approximately £45,000.

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

- going into insolvency, winding up or liquidation; or
- exiting the scheme under the terms of Regulation 62 of the 2018 Regulations or otherwise ceasing to be a scheme employer; or
- breaching any of its obligations under the Admission Agreement; or
- failing to pay any sums due to the scheme under the Admission Agreement and/or the Regulations within a reasonable period of a notice from the Administering Authority requiring payment

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

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

As at 31 March 2020, there is a scheme surplus determined on a FRS 102 basis amounting to £563,000 for the company and £53,000 for Childcare First, however, as detailed above, these surpluses have been curtailed to £nil. Due to the availability of the guarantees from Renfrewshire Council, the funding positions on both schemes cannot be better/worse than the surplus/deficit determined on an ongoing actuarial basis, but no such valuations are currently available. It is anticipated that any surpluses arising on an ongoing basis would be in excess of the FRS 102 surpluses, and consequently, the Trustees consider the adopted position to be prudent.

Company

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(3,866,000)	(4,143,000)
Present value of unfunded obligations	(65,000)	(71,000)
Fair value of plan assets	4,494,000	4,715,000
	<hr/>	<hr/>
Net surplus/(deficit)	563,000	501,000
Less curtailment of scheme assets	(563,000)	(501,000)
	<hr/>	<hr/>
Net asset/(deficit)	-	-

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

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	69,000	62,000
Net interest from defined benefit asset/liability	(12,000)	(16,000)
	<hr/>	<hr/>
	57,000	46,000

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

	Defined benefit pension plans	
	2020	2019
	£	£
Defined benefit obligation	4,214,000	3,842,000
Current service cost	69,000	62,000
Contributions by scheme participants	11,000	11,000
Interest cost	110,000	104,000
Benefits paid	(68,000)	(78,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(161,000)	-
Actuarial (gains)/losses from changes in financial assumptions	(225,000)	273,000
Other experience remeasurement	(19,000)	-
	<hr/>	<hr/>
	3,931,000	4,214,000

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 MARCH 2020

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2020	2019
	£	£
Fair value of scheme assets	4,715,000	4,480,000
Contributions by employer	31,000	33,000
Contributions by scheme participants	11,000	11,000
Expected return	122,000	120,000
Benefits paid	(64,000)	(74,000)
Return on plan assets (excluding interest income)	(321,000)	145,000
	<u>4,494,000</u>	<u>4,715,000</u>

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

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial gains/(losses) from changes in demographic assumptions	161,000	-
Actuarial gains/(losses) from changes in financial assumptions	225,000	(273,000)
Other experience remeasurement gains/(losses)	19,000	-
Return on plan assets (excluding interest income)	(321,000)	145,000
	<u>84,000</u>	<u>(128,000)</u>
Curtailment of scheme surplus	(62,000)	137,000
	<u>22,000</u>	<u>9,000</u>

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

	Defined benefit pension plans	
	2020	2019
Equities	59%	64%
Bonds	26%	24%
Property	13%	10%
Cash	2%	2%

In their FRS102 Results Schedule for the year ended 31 March 2018, the scheme actuaries determined there was a scheme surplus as at the balance sheet date of £638,000. Under FRS102, a pension scheme surplus can only be recognised to the extent that it will be recovered through reduced contributions in the future or through refunds from the plan. The trustees considered the position and were satisfied that neither of these conditions would be met. The surplus arose due to the customising of underlying actuarial assumptions and in the trustees' opinion, this improvement was expected to be short term as the overall trend within the scheme in the medium to long term was expected to be one of increased liabilities. As a consequence, the above asset was curtailed and the surplus/deficit as at 31 March 2018 was reflected in the financial statements as at 31 March 2018 at £nil. As at 31 March 2019, the FRS102 Results Schedule showed that the scheme surplus had reduced by £137,000 to £501,000. The surplus was again not recognised in the Balance Sheet; however, the original curtailment charge brought forward from 2018 was reduced by £137,000 and this was recognised as an actuarial gain in the prior year Statement of Financial Activities. As at 31 March 2020, the FRS102 Results Schedule showed that the surplus had increased by £62,000 to £563,000. The surplus has again not been recognised in the Balance Sheet and the increase in the surplus of £62,000 has been curtailed and has been recognised as an actuarial loss in the Statement of Financial Activities for the year ended 31 March 2020.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2020

18. EMPLOYEE BENEFIT OBLIGATIONS - continued

The company's contributions for the year ended 31 March 2021 will be approximately £37,000.

Engage Renfrewshire participates in an industry-wide defined benefit scheme that provides pensions linked to final salaries and is funded on a pay-as-you-go basis. Included in the pension scheme figures above is an unfunded liability amounting to £65,000 (2019: £71,000). The unfunded liability will result in future payments by the participating employers. The scheme has approximately 2 employees, of whom approximately 2 are current or former employees of Engage Renfrewshire or their dependents. The expense recognised in the Statement of Financial Activities, which is equal to the contributions due for the year, is £4,000 (2019: £4,000). The company's future contributions may be increased if other entities withdraw from the scheme.

DEFINED CONTRIBUTION SCHEME

Group

The group also operates a defined contribution pension scheme, the assets of which are held in a separate fund. The amount paid in the year and charged to the Statement of Financial Activities amounts to £20,685 (2019: £16,510). Contributions totalling £2,154 (2019: £3,544) were payable to the fund at the balance sheet date and are included in creditors.

Company

The amount paid in the year and charged to the Statement of Financial Activities amounts to £11,274 (2019: £6,294). Contributions totalling £14 (2019: £1,279) were payable to the fund at the balance sheet date and are included in creditors.

19. RELATED PARTY DISCLOSURES

Details regarding the remuneration of key management personnel are provided in note 12.

20. LEASING AGREEMENTS

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

	2020	2019
	£	£
Group		
Within one year	2,947	8,754
Between one and five years	8,718	1,712
	<u>11,665</u>	<u>10,466</u>
Company		
Within one year	2,947	4,713
Between one and five years	8,718	1,712
	<u>11,665</u>	<u>6,425</u>

21. FUNDS HELD AS AGENT

During the year, Engage Renfrewshire, in the capacity of agent, provided payroll and financial services support to 103 (2019: 73) individual clients and 30 (2019: 28) organisations. During the year, the company received funds totalling £2,990,124 (2019: £2,489,511) from these parties and made payments on their behalf totalling £2,800,563 (2019: £2,572,760). As at 31 March 2020, Engage Renfrewshire held funds in trust for these parties totalling £521,225 (2019: £317,796). In accordance with FRS102, the bank balances held in trust have not been recognised as an asset of the company.