

REGISTERED COMPANY NUMBER: SC120101
REGISTERED CHARITY NUMBER: SCO18453

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
ENGAGE RENFREWSHIRE**

TUESDAY



S7G7I8N6
SCT 09/10/2018 #97
COMPANIES HOUSE

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

| | Page |
|--|----------|
| Report of the Trustees | 1 to 8 |
| Report of the Independent Auditors | 9 to 10 |
| Consolidated Statement of Financial Activities | 11 |
| Company Statement of Financial Activities | 12 |
| Consolidated Balance Sheet | 13 |
| Company Balance Sheet | 14 |
| Consolidated Cash Flow Statement | 15 |
| Notes to the Consolidated Cash Flow Statement | 16 |
| Notes to the Financial Statements | 17 to 40 |

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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 2018. 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 and Single Outcome Agreements.

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.

The company's subsidiary undertaking, Childcare First Limited, oversees the management of two nurseries 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, 5 community officers, 4 finance staff, 2 administrators and 1 caretaker/cleaner. The staffing is complemented by volunteers.

Engage Renfrewshire also oversees the independent childcare charity 'Childcare First Limited' which operates two nurseries in Renfrewshire. The governance arrangements in place for Childcare First dictate that the financial performance and operations are recorded in Engage Renfrewshire's group 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.

Engage Renfrewshire looks to work closely with the local Chamber of Commerce in order to promote the operations and potential of the local Third Sector. The 'ROCCOs' are the annual business awards of the Renfrewshire Chamber of Commerce. The 'ROCCOs' allow local businesses and organisations of all sizes and sectors to enter a wide range of award categories with the winners being announced on stage at our awards ceremony. The 'ROCCOs' are the largest business event in Renfrewshire and genuinely perceived as one of the top corporate events in Scotland. For the last five years, Engage Renfrewshire has co-sponsored (with the Royal Bank of Scotland) an award - 'Renfrewshire's Community Champion'.

In 2017/2018, Engage Renfrewshire worked in its four key themes for delivery - Volunteering Development, Social Enterprise Development, Support & Development of the Third Sector and Building the Relationship with the Community Planning Partnership.

Volunteering Development

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 2018

ACHIEVEMENT AND PERFORMANCE

Volunteering Service Developments in the last year have included:

16+ Joint Employability Project

This project is aimed to enhance the employability of young people aged 16+ with disabilities or additional support needs by volunteering in the Third Sector. These young people can volunteer from the age of 15 years. The young people are provided with a quality volunteering service which identifies suitable opportunities tailored to suit interests and capabilities, ensuring the best match/experience. This programme commenced with one school and has now branched out to many other Renfrewshire secondary schools. The young volunteers are also registered for Saltire Awards and Young Scot Points. This project has been very successful and continues to flourish with 8 organisations within the sector offering a range of diverse volunteering roles for targeted young people.

Renfrewshire Saltire Ambassador Group

Engage Renfrewshire supported the establishment of a Renfrewshire Saltire Ambassador Group. This group has a constitution, recruits member volunteers aged 12-25 and promotes Saltire across Renfrewshire. They make peer assessments of the Saltire Summit Nominations and present awards at events. This group assisted in planning two events (Police Scotland Annual Saltire Event and the National Celebration of Volunteer Event).

Syrian Refugees

Engage Renfrewshire has been working in partnership with Jobcentre Plus to support 10 Syrian refugee men who are seeking paid employment. Engage Renfrewshire's role was to meet these men to explain the benefits and diversity of volunteering and how this could be very beneficial in terms of obtaining a reference, confidence, improve language etc. All of these men signed up for volunteering and all were referred to volunteering opportunities via a translator.

Engage Renfrewshire worked in partnership with West of Scotland Regional Equality Council, Pachedu and Environmental Training Team to host a very successful event, with Syrian refugees celebrating Syrian culture. Saltire Awards were presented by Engage Renfrewshire to Syrian young people with over 100 people in attendance.

Police Scotland Saltire Awards

Engage Renfrewshire has been working in partnership with Police Scotland to arrange Saltire awards for volunteers who give up time to help support the Police across Renfrewshire.

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 - "Trading for Community benefit, be connected, keep informed".

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 provides community payroll and financial services which this year supported 61 individual clients and 23 organisations. These organisations and individuals employ over 250 members of staff. The company also produces annual monitoring reports for 24 Self-Directed Support Clients. By working closely with each individual who seeks the support of the Payroll Service, the company aims to alleviate 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

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENT AND PERFORMANCE

Social Enterprise developments 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'. The document notes that Engage Renfrewshire may be able to help successful contractors deliver their community benefit commitments by connecting them to community and voluntary sector organisations.

City Deal - Sweco UK

In January 2017, Engage Renfrewshire organised a Social Enterprise networking event attended by 6 local SE organisations. The event was facilitated by Sweco UK, a Glasgow-based engineering consultancy involved in the "City Deal" initiative. The workshop focused on the Community Benefit aspect which involved Sweco's support in developing 2 local enterprising organisations. The support included a £1,000 capital grant, as well as expert advice to help the community projects fulfil their potential.

The TSI has a close working relationship with the Local Authority's external funding team and have worked alongside communities of interest and groups to access external funding from the BIG Lottery and other funders. They also work alongside the TSI to assist groups or organisations identify alternative funding streams.

Support & Development of the Third Sector

Engage Renfrewshire is an important partner for the council and other public bodies, the organisation brings together local community groups, charities and community-based organisations. It helps in establishing links between third sector organisations and communities with the council, NHS and other partners. Its aim is to promote the views of local people.

Engage Renfrewshire operates from a base in Ferguslie Park, Paisley. The offices are a recognised Third Sector 'hub' which provides accommodation to West College Scotland (Learning Centre), Prince's Trust Scotland, Scottish Football Association Regional Officers, Renfrewshire's Access Panel, Shelter, & Capability Scotland. 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. Examples of support requested by & delivered to the network members include; drafting formal constitutions, how to become a charity, moving from charity to a Scottish Charity Incorporated Organisation (SCIO), potential asset transfers from the public sector, setting up new committees & managing funding searches.

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 a strong and mature partnership working at strategic and operational levels. Engage Renfrewshire supports Renfrewshire's Forum For Empowering Communities, which is led by and promotes the third sector contribution to community planning. The Forum is chaired by the Chief Executive of Engage and connects influential local third sector organisations to the other five community planning themes. The Forum members include representatives from health charities, children's charities, housing associations, advice services and community councils and as such, reflect organisations with the knowledge of and with resources important to the Third Sector.

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.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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. The operational agenda for the company should be considered a 'triple-bottom line' approach - development of services which potentially improve the impact of its 'trading' position through providing services which are aligned to members needs and are interlinked for impact on social and environmental agendas.

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 £563,743 (2017: deficit of £405,621) and has net assets of £883,837 (2017: £320,094). Of the surplus for the year, £561,000 arose due to actuarial gains arising in respect of the defined benefit scheme (2017: £462,000 actuarial loss).

These show that the company has generated a surplus of £354,342 (2017: deficit of £243,813) and has net assets of £608,553 (2017: £254,211). Of the surplus for the year, £350,000 arose due to actuarial gains arising in respect of the defined benefit scheme (2017: £292,000 actuarial loss).

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 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 2018, the general fund (excluding designated funds) totalled £154,615 (2017: £452,130). A redundancy reserve for the Group of £310,416 (2017: £299,029) 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

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

As detailed within the Future Plans section below, the trustees have been notified that the funding from Renfrewshire Council (£302,997 – 2018) will fall by 50% in the year to 31 March 2019 and will cease from 1 April 2020 for Childcare First. Detailed plans are being drawn up and negotiations with all involved are underway. Based on this and after making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

FUTURE PLANS

Engage Renfrewshire will continue to work to deliver the current 'TSI Common Values, Approaches and Services' in 2018/19 however noted here are a number of new developments and emerging areas of delivery which will need to be included in reporting processes for both Local and National Government.

- Digital Participation Strategy - 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. It is recognised within the approach that those who can benefit the most from technology are those most likely to be digitally excluded and already facing social inequality. There are therefore significant important emerging opportunities in this agenda for both Engage Renfrewshire and the Third Sector Network.

- Cultural Regeneration - The cultural bid to make Paisley the 2021 City of Culture was not successful however there remains in the area a commitment to cultural led regeneration. The Chief Executive of the company has been asked to join the Paisley Partnership Board which will provide a forum for the strategic leadership, development and delivery of the vision, step changes and action plan for Paisley. This group will lead the development of an action plan to secure the vision and ambitions of the area, provide leadership, resources and activity to support the delivery of the plan.

- Improving Member Support and Partnership Working - In considering our strategy for improving member support and partnership working, Engage Renfrewshire's Management Team are aware that sharing of information within and between organisations in the membership and Partnership contributes to better decision making and resource allocation. The company will continue to assess its primary activities and identify where there are key areas of strength.

- 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. This in turn benefits the wider partnership by bringing the experience and resources of the Third Sector closer to community planning and making a greater range of potential solutions and delivery vehicles available to the public sector partners.

- Health Improvement Staff - It is expected that officers from the Health & Social Care Partnership will be based with Engage over the next twelve months to connect with the Third Sector Network to maximise delivery and communications opportunities.

- Partnerships 'Best Value' - A new approach to best value has been developed by the Scottish Government's Accounts Commission, with an allocated audit team assessing Councils against the following four dimensions: financial sustainability, financial management, governance and transparency and value for money. The Accounts Commission announced in 2016 that 6 councils had been selected to pilot the new best value assurance approach - with Renfrewshire Council one of the 6 selected. The Best Value Assurance Report for Renfrewshire Council which was released on 31st August 2017 noted in 'Part 4. Is the Council working well with its partners?' that:

'There are many positive examples where the Council and its partners have engaged well with service users. Engage Renfrewshire is an important partner for the Council and other public bodies, the organisation brings together local community groups, charities and community-based organisations. It helps in establishing links between third sector organisations and communities with the Council, NHS and other partners. Its aim is to promote the views of local people. The Chief Executive of Engage Renfrewshire chairs the Renfrewshire Forum for Empowering Communities. This is one of the six community planning thematic boards and has been operating since May 2013. It is made up of senior third sector managers operating in Renfrewshire. The forum receives updates at its meetings from Engage Renfrewshire representatives who sit on each of the thematic boards. Engage Renfrewshire and the Forum for Empowering Communities are leading on the Council and its partner's preparation for aspects of the Community Empowerment Act. As well as the Community Planning Conference, it has held workshops with local community groups and is preparing a localised toolkit to raise awareness of the provisions of the Community Empowerment Act...'

It is the ambition that going forward the company retains this trusted position with the local authority and other partners.

Renfrewshire Council has notified the Board that funding for Childcare First will be cut by 50% in the year to 31 March 2019 and will cease totally from 1 April 2020. The grant received from the Council in the year ended 31 March 2018 totalled £302,997. Detailed planning, budgets and discussions with staff, parents and the Council are underway and these will direct the actions the Board takes over the next 2 years.

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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

The Company will continue to update its policies relating to induction and training to comply with guidelines and recommendations from the Office of the Scottish Charity Regulator.

Key management remuneration

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

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

No remuneration was paid to the Trustees for their services.

Risk management

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

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC120101

Registered Charity number
SCO18453

Registered office
10 Falcon Crescent
Ferguslie Park
Paisley
PA3 1NS

| | |
|--------------------|-----------------------|
| Trustees | |
| G Bell | - resigned 13/11/2017 |
| W J Clark | |
| A Dick | |
| Professor D W Hoey | |
| G A McGuinness | |
| Ms G R Murray | |
| Ms H R Simpson | |
| Mrs A McMillan | - appointed 27/4/2017 |
| J Gillespie | - appointed 19/2/2018 |

Company Secretary
Burness Paull LLP

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

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

ENGAGE RENFREWSHIRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2018

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:

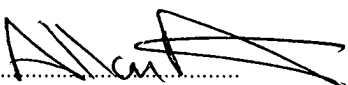
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

The previous auditors, French Duncan, confirmed that there were no matters which they wished to bring to the attention of the Board.

Approved by order of the Board of Trustees on 13 September 2018 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 2018 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 (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 2018 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the fact that the grant from Renfrewshire Council to Childcare First totalling £302,997 this year will be halved for year ended 31 March 2019 and will cease in the 2020 year. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

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 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, 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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENGAGE RENFREWSHIRE

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

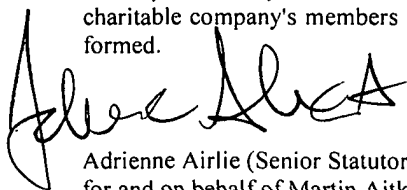
Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.



Adrienne Airlie (Senior Statutory Auditor)
for and on behalf of Martin Aitken & Co Ltd
Statutory Auditor
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

13 September 2018

ENGAGE RENFREWSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2018

| | | Unrestricted funds | Restricted funds | Total 2018 funds | Total 2017 funds |
|---|-------|-----------------------|----------------------|------------------------|------------------------|
| | Notes | £ | £ | £ | £ |
| INCOME FROM | | | | | |
| Donations and legacies | 3 | 7,754 | 870,507 | 878,261 | 886,652 |
| Charitable activities | 5 | | | | |
| Charitable Activities | | 435,404 | 119,000 | 554,404 | 547,219 |
| Investment income | 4 | 330 | - | 330 | 1,159 |
| Total | | 443,488 | 989,507 | 1,432,995 | 1,435,030 |
| EXPENDITURE ON | | | | | |
| Charitable activities | 6 | | | | |
| Charitable Activities | | 448,999 | 981,253 | 1,430,252 | 1,378,651 |
| Total | | 448,999 | 981,253 | 1,430,252 | 1,378,651 |
| NET INCOME / (EXPENDITURE) | | (5,511) | 8,254 | 2,743 | 56,379 |
| Other recognised gains/(losses) | 17 | | | | |
| Actuarial gains/losses on defined benefit schemes | | 561,000 | - | 561,000 | (462,000) |
| Net movement in funds | | 555,489 | 8,254 | 563,743 | (405,621) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 293,426 | 26,668 | 320,094 | 725,715 |
| TOTAL FUNDS CARRIED FORWARD | | <u>848,915</u> | <u>34,922</u> | <u>883,837</u> | <u>320,094</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 2018

| | | Unrestricted funds | Restricted funds | Total | 2018 funds | Total | 2017 funds |
|---|-------|-----------------------|----------------------|-----------------------|---------------|-----------------------|---------------|
| | Notes | £ | £ | £ | £ | £ | £ |
| INCOME FROM | | | | | | | |
| Donations and legacies | 3 | 7,754 | 567,510 | 575,264 | | 583,655 | |
| Charitable activities | 5 | | | | | | |
| Charitable Activities | | 63,279 | 34,000 | 97,279 | | 108,981 | |
| Investment income | 4 | <u>237</u> | <u>-</u> | <u>237</u> | | <u>902</u> | |
| Total | | 71,270 | 601,510 | 672,780 | | 693,538 | |
| EXPENDITURE ON | | | | | | | |
| Charitable activities | 6 | | | | | | |
| Charitable Activities | | <u>69,911</u> | <u>598,527</u> | <u>668,438</u> | | <u>645,351</u> | |
| Total | | 69,911 | 598,527 | 668,438 | | 645,351 | |
| NET INCOME | | 1,359 | 2,983 | 4,342 | | 48,187 | |
| Other recognised gains/(losses) | 17 | | | | | | |
| Actuarial gains/losses on defined benefit schemes | | <u>350,000</u> | <u>-</u> | <u>350,000</u> | | <u>(292,000)</u> | |
| Net movement in funds | | 351,359 | 2,983 | 354,342 | | (243,813) | |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | <u>243,904</u> | <u>10,307</u> | <u>254,211</u> | | <u>498,024</u> | |
| TOTAL FUNDS CARRIED FORWARD | | <u>595,263</u> | <u>13,290</u> | <u>608,553</u> | | <u>254,211</u> | |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

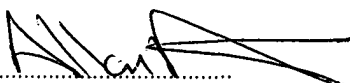
ENGAGE RENFREWSHIRE

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2018**

| | | Unrestricted funds | Restricted funds | Total | 2018 funds | Total | 2017 funds |
|--|-------|-----------------------|---------------------|------------------|---------------|------------------|---------------|
| | Notes | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 3,014 | - | 3,014 | | 10,135 | |
| CURRENT ASSETS | | | | | | | |
| Debtors | 14 | 16,593 | - | 16,593 | | 137,266 | |
| Cash at bank and in hand | | <u>969,568</u> | <u>38,513</u> | <u>1,008,081</u> | | <u>853,004</u> | |
| | | 986,161 | 38,513 | 1,024,674 | | 990,270 | |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 15 | (108,260) | (3,591) | (111,851) | | (163,311) | |
| NET CURRENT ASSETS | | <u>877,901</u> | <u>34,922</u> | <u>912,823</u> | | <u>826,959</u> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 880,915 | 34,922 | 915,837 | | 837,094 | |
| PENSION LIABILITY | 17 | (32,000) | - | (32,000) | | (517,000) | |
| NET ASSETS | | <u>848,915</u> | <u>34,922</u> | <u>883,837</u> | | <u>320,094</u> | |
| FUNDS | 16 | | | | | | |
| Unrestricted funds | | | | | | | |
| General funds | | | | 154,615 | | 452,130 | |
| Designated funds | | | | <u>694,300</u> | | <u>(158,704)</u> | |
| | | | | 848,915 | | 293,426 | |
| Restricted funds | | | | <u>34,922</u> | | <u>26,668</u> | |
| TOTAL FUNDS | | | | <u>883,837</u> | | <u>320,094</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 13 September 2018 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 2018

| | | Unrestricted funds | Restricted funds | Total | 2018 funds | Total | 2017 funds |
|--|-------|-----------------------|---------------------|----------------|---------------|------------------|---------------|
| | Notes | £ | £ | £ | £ | £ | £ |
| FIXED ASSETS | | | | | | | |
| Tangible assets | 13 | 3,014 | - | 3,014 | | 10,135 | |
| CURRENT ASSETS | | | | | | | |
| Debtors | 14 | 10,725 | - | 10,725 | | 133,557 | |
| Cash at bank and in hand | | <u>614,463</u> | <u>13,290</u> | <u>627,753</u> | | <u>496,206</u> | |
| | | 625,188 | 13,290 | 638,478 | | 629,763 | |
| CREDITORS | | | | | | | |
| Amounts falling due within one year | 15 | (32,939) | - | (32,939) | | (81,687) | |
| NET CURRENT ASSETS | | <u>592,249</u> | <u>13,290</u> | <u>605,539</u> | | <u>548,076</u> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 595,263 | 13,290 | 608,553 | | 558,211 | |
| PENSION LIABILITY | 17 | - | - | - | | (304,000) | |
| NET ASSETS | | <u>595,263</u> | <u>13,290</u> | <u>608,553</u> | | <u>254,211</u> | |
| FUNDS | 16 | | | | | | |
| Unrestricted funds | | | | | | | |
| General funds | | | | 84,135 | | 383,393 | |
| Designated funds | | | | <u>511,128</u> | | <u>(139,489)</u> | |
| | | | | 595,263 | | 243,904 | |
| Restricted funds | | | | <u>13,290</u> | | <u>10,307</u> | |
| TOTAL FUNDS | | | | <u>608,553</u> | | <u>254,211</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 13 September 2018 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 2018**

| | Notes | 2018 £ | 2017 £ |
|---|-------|------------------|----------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>154,747</u> | <u>17,144</u> |
| Net cash provided by (used in) operating activities | | <u>154,747</u> | <u>17,144</u> |
| Cash flows from investing activities: | | | |
| Interest received | | <u>330</u> | <u>1,159</u> |
| Net cash provided by (used in) investing activities | | <u>330</u> | <u>1,159</u> |
| Change in cash and cash equivalents in the reporting period | | 155,077 | 18,303 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>853,004</u> | <u>834,701</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>1,008,081</u> | <u>853,004</u> |

The notes form part of these financial statements

ENGAGE RENFREWSHIRE**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018****1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | 2018 | 2017 |
|--|----------------|---------------|
| | £ | £ |
| Net income for the reporting period (as per the statement of financial activities) | 2,743 | 56,379 |
| Adjustments for: | | |
| Depreciation charges | 666 | 1,058 |
| Loss on disposal of fixed assets | 6,455 | - |
| Interest received | (330) | (1,159) |
| Pension finance charge / (credit) | 15,000 | (2,000) |
| Decrease/(increase) in debtors | 120,673 | (76,882) |
| Increase/(decrease) in creditors | (51,460) | 15,748 |
| Difference between pension charge and cash contributions | <u>61,000</u> | <u>24,000</u> |
| Net cash provided by (used in) operating activities | <u>154,747</u> | <u>17,144</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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.

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 results of the subsidiary are consolidated on a line-to-line basis.

Going concern

The financial statements have been prepared on a going concern basis, which the trustees believe to be appropriate for the reasons set out in the Trustees' Report.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

| | |
|-----------------------|---|
| Heritable property | - 2% on cost |
| 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 |

Fixed assets are included in the balance sheet at cost less aggregate depreciation and impairment losses.

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.

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.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Cash at bank and in hand

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

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES - continued

Other basic financial instruments

The charity and its subsidiary undertaking only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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.

3. DONATIONS AND LEGACIES

Group

| | 2018 | 2017 |
|--------|----------------|----------------|
| | £ | £ |
| Grants | <u>878,261</u> | <u>886,652</u> |

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

| | 2018 | 2017 |
|----------------------|----------------|----------------|
| | £ | £ |
| Scottish Government | 198,400 | 198,400 |
| Renfrewshire Council | <u>679,861</u> | <u>688,252</u> |
| | <u>878,261</u> | <u>886,652</u> |

Company

| | 2018 | 2017 |
|--------|----------------|----------------|
| | £ | £ |
| Grants | <u>575,264</u> | <u>583,655</u> |

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

| | 2018 | 2017 |
|----------------------|----------------|----------------|
| | £ | £ |
| Scottish Government | 198,400 | 198,400 |
| Renfrewshire Council | <u>376,864</u> | <u>385,255</u> |
| | <u>575,264</u> | <u>583,655</u> |

4. INVESTMENT INCOME

Group

| | 2018 | 2017 |
|--------------------------|------------|--------------|
| | £ | £ |
| Deposit account interest | <u>330</u> | <u>1,159</u> |

Company

| | 2018 | 2017 |
|--------------------------|------------|------------|
| | £ | £ |
| Deposit account interest | <u>237</u> | <u>902</u> |

ENGAGE RENFREWSHIRE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

| Group | | 2018 | 2017 |
|--------------------------|-----------------------|----------------|----------------|
| | Activity | £ | £ |
| Rental income | Charitable Activities | 18,101 | 18,258 |
| Other income | Charitable Activities | 39,879 | 41,923 |
| Grants | Charitable Activities | 119,000 | 128,258 |
| Lunch fees | Charitable activities | 6,780 | 6,594 |
| Commission places | Charitable activities | 85,141 | 99,875 |
| Hillview – parental fees | Charitable activities | 139,788 | 128,082 |
| Rainbow – parental fees | Charitable activities | 145,715 | 124,229 |
| | | <u>554,404</u> | <u>547,219</u> |

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

| | | |
|-----------------|----------------|----------------|
| Big Lottery | 75,000 | 75,000 |
| Robertson Trust | 9,000 | 12,000 |
| Other grants | <u>35,000</u> | <u>41,258</u> |
| | <u>119,000</u> | <u>128,258</u> |

| Company | | 2018 | 2017 |
|----------------|-----------------------|---------------|----------------|
| | Activity | £ | £ |
| Rental income | Charitable Activities | 18,101 | 18,258 |
| Other income | Charitable Activities | 45,178 | 49,465 |
| Grants | Charitable Activities | <u>34,000</u> | <u>41,258</u> |
| | | <u>97,279</u> | <u>108,981</u> |

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

| | | |
|--------------|---------------|---------------|
| | 2018 | 2017 |
| | £ | £ |
| Other grants | <u>34,000</u> | <u>41,258</u> |

6. CHARITABLE ACTIVITIES COSTS

| Group | | Direct costs | Support costs | Totals |
|-----------------------|--|---------------------|----------------------|------------------|
| | | (See note 7) | (See note 8) | |
| | | £ | £ | £ |
| Charitable Activities | | <u>1,387,824</u> | <u>42,428</u> | <u>1,430,252</u> |

| Company | | Direct costs | Support costs | Totals |
|-----------------------|--|---------------------|----------------------|----------------|
| | | (See note 7) | (See note 8) | |
| | | £ | £ | £ |
| Charitable Activities | | <u>644,383</u> | <u>24,055</u> | <u>668,438</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

| Group | 2018 | 2017 |
|----------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Staff costs | 1,067,853 | 1,013,827 |
| Rent, rates and water | 16,002 | 15,237 |
| Insurance | 12,196 | 12,403 |
| Light and heat | 32,252 | 31,140 |
| Telephone | 17,456 | 15,341 |
| Postage and stationery | 11,935 | 12,175 |
| Advertising | 11,563 | 17,664 |
| Sundries | 5,965 | 20,202 |
| Repairs and maintenance | 28,008 | 57,970 |
| Computer expenses | 24,088 | 36,053 |
| Equipment renewal | 10,111 | 7,762 |
| Cleaning costs | 8,088 | 8,424 |
| Travel and subsistence | 2,513 | 2,704 |
| Training costs | 15,813 | 22,838 |
| Staff wellbeing costs | 1,536 | 317 |
| Other staff costs | 6,290 | 3,806 |
| Depreciation | 666 | 1,058 |
| Project adaptations | 5,282 | - |
| Sessional costs | 65,020 | 38,879 |
| Childcare costs | 11,392 | 16,648 |
| Food purchases | 11,273 | 6,096 |
| Recruitment | 1,067 | 154 |
| Pension finance charge/ (credit) | 15,000 | (2,000) |
| Accounting and legal fees | - | 7,552 |
| Loss on disposal of assets | 6,455 | - |
| | <u>1,387,824</u> | <u>1,346,250</u> |
| Company | | |
| Staff costs | 501,372 | 450,928 |
| Rates and water | 5,335 | 5,037 |
| Insurance | 5,967 | 6,577 |
| Light and heat | 11,373 | 13,669 |
| Telephone | 10,011 | 10,903 |
| Postage and stationery | 5,399 | 9,227 |
| Advertising | 11,563 | 17,664 |
| Sundries | 3,346 | 10,034 |
| Repairs and maintenance | 18,299 | 27,395 |
| Computer expenses | 24,088 | 36,053 |
| Cleaning costs | 4,469 | 5,143 |
| Travel and subsistence | 2,022 | 2,448 |
| Training costs | 13,048 | 22,603 |
| Staff wellbeing costs | 1,536 | 317 |
| Other staff costs | 5,152 | 3,375 |
| Depreciation | 666 | 1,058 |
| Project adaptations | 5,282 | - |
| Pension finance charge/ (credit) | 9,000 | (3,000) |
| Accounting and legal fees | - | 7,552 |
| Loss on disposal of assets | 6,455 | - |
| | <u>644,383</u> | <u>626,983</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

8. SUPPORT COSTS

Group

| | Finance £ | Governance costs £ | Totals £ |
|-----------------------|--------------|--------------------------|---------------|
| Charitable Activities | <u>709</u> | <u>41,719</u> | <u>42,428</u> |

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

| | 2018 Charitable Activities £ | 2017 Total activities £ |
|----------------------------|---------------------------------------|----------------------------------|
| Bank charges | 709 | 533 |
| Auditors' remuneration | 21,669 | 21,240 |
| Accountancy and legal fees | 13,222 | 8,713 |
| IT costs | <u>6,828</u> | <u>1,915</u> |
| | <u>42,428</u> | <u>32,401</u> |

Company

| | Finance £ | Governance costs £ | Totals £ |
|-----------------------|--------------|--------------------------|---------------|
| Charitable Activities | <u>709</u> | <u>23,346</u> | <u>24,055</u> |

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

| | 2018 Charitable Activities £ | 2017 Total activities £ |
|----------------------------|---------------------------------------|----------------------------------|
| Bank charges | 709 | 533 |
| Auditors' remuneration | 12,431 | 11,770 |
| Accountancy and legal fees | <u>10,915</u> | <u>6,065</u> |
| | <u>24,055</u> | <u>18,368</u> |

9. NET INCOME/(EXPENDITURE)

Group

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

| | 2018 £ | 2017 £ |
|----------------------------------|--------------|-----------|
| Auditors' remuneration | 21,669 | 21,240 |
| Depreciation - owned assets | 666 | 1,058 |
| Loss on disposal of fixed assets | <u>6,455</u> | <u>-</u> |

Company

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

| | 2018 £ | 2017 £ |
|----------------------------------|--------------|-----------|
| Auditors' remuneration | 12,431 | 11,770 |
| Depreciation - owned assets | 666 | 1,058 |
| Loss on disposal of fixed assets | <u>6,455</u> | <u>-</u> |

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

11. STAFF COSTS

Group

| | 2018 | 2017 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 861,943 | 847,281 |
| Social security costs | 63,191 | 61,338 |
| Other pension costs | 142,719 | 105,208 |
| | <u>1,067,853</u> | <u>1,013,827</u> |

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

| | 2018 | 2017 |
|-----------------------------|-----------|-----------|
| Service providers | 7 | 7 |
| Administration | 8 | 8 |
| Nursery and sessional staff | 39 | 38 |
| | <u>54</u> | <u>53</u> |

Company

| | 2018 | 2017 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 384,130 | 360,661 |
| Social security costs | 32,194 | 30,145 |
| Other pension costs | 85,048 | 60,122 |
| | <u>501,372</u> | <u>450,928</u> |

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

| | 2018 | 2017 |
|-------------------|-----------|-----------|
| Service providers | 7 | 7 |
| Administration | 8 | 8 |
| | <u>15</u> | <u>15</u> |

Group and company

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

| | 2018 | 2017 |
|-------------------|----------|----------|
| £60,001 - £70,000 | <u>1</u> | <u>-</u> |

The key management personnel of the parent company comprise the trustees, the Chief Executive, the Head of Finance and the Community Partnership Manager. During the year, total remuneration of £127,026 (2017: £144,510) was paid to the key management personnel of the parent company.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

11. STAFF COSTS (continued)

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 £39,170 (2017: £38,782). The remuneration of the key management personnel of the group was therefore £166,196 (2017: £183,292).

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| Group | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|---|-------------------------------------|-----------------------------------|------------------------------|
| INCOME FROM | | | |
| Donations and legacies | - | 886,652 | 886,652 |
| Charitable activities | | | |
| Charitable Activities | 418,961 | 128,258 | 547,219 |
| Investment income | <u>1,159</u> | <u>-</u> | <u>1,159</u> |
| Total | 420,120 | 1,014,910 | 1,435,030 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Charitable Activities | <u>398,837</u> | <u>979,814</u> | <u>1,378,651</u> |
| Total | 398,837 | 979,814 | 1,378,651 |
| NET INCOME | 21,283 | 35,096 | 56,379 |
| Transfers between funds | <u>45,658</u> | <u>(45,658)</u> | <u>-</u> |
| Other recognised gains/(losses) | | | |
| Actuarial gains/losses on defined benefit schemes | <u>(462,000)</u> | <u>-</u> | <u>(462,000)</u> |
| Net movement in funds | (395,059) | (10,562) | (405,621) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 688,485 | 37,230 | 725,715 |
| TOTAL FUNDS CARRIED FORWARD | <u>293,426</u> | <u>26,668</u> | <u>320,094</u> |

ENGAGE RENFREWSHIRE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

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

| Company | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|---|-------------------------------------|-----------------------------------|------------------------------|
| INCOME FROM | | | |
| Donations and legacies | - | 583,655 | 583,655 |
| Charitable activities | | | |
| Charitable Activities | 67,724 | 41,257 | 108,981 |
| Investment income | <u>902</u> | <u>-</u> | <u>902</u> |
| Total | 68,626 | 624,912 | 693,538 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Charitable Activities | <u>39,274</u> | <u>606,077</u> | <u>645,351</u> |
| Total | 39,274 | 606,077 | 645,351 |
| NET INCOME | 29,352 | 18,835 | 48,187 |
| Transfers between funds | <u>16,371</u> | <u>(16,371)</u> | <u>-</u> |
| Other recognised gains/(losses) | | | |
| Actuarial gains/losses on defined benefit schemes | <u>(292,000)</u> | <u>-</u> | <u>(292,000)</u> |
| Net movement in funds | (246,277) | 2,464 | (243,813) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 490,181 | 7,843 | 498,024 |
| TOTAL FUNDS CARRIED FORWARD | <u>243,904</u> | <u>10,307</u> | <u>254,211</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

13. TANGIBLE FIXED ASSETS

| Group | Heritable property £ | Long Leasehold £ | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|------------------------|----------------------------|------------------------|-----------------------------|-------------------------------|-------------|
| COST | | | | | |
| At 1 April 2017 | 6,000 | 262,263 | 113,495 | 208,398 | 593,156 |
| Disposals | (6,000) | - | (34,853) | (88,604) | (129,457) |
| At 31 March 2018 | - | 262,263 | 78,642 | 119,794 | 463,699 |
| DEPRECIATION | | | | | |
| At 1 April 2017 | 720 | 262,263 | 113,495 | 203,543 | 583,021 |
| Charge of year | 120 | - | - | 546 | 666 |
| Eliminated on disposal | (840) | - | (34,853) | (87,309) | (123,002) |
| At 31 March 2018 | - | 262,263 | 78,642 | 116,780 | 460,685 |
| NET BOOK VALUE | | | | | |
| At 31 March 2018 | - | - | - | 3,014 | 3,014 |
| At 31 March 2017 | 5,280 | - | - | 4,855 | 10,135 |

| Company | Heritable property £ | Plant and machinery £ | Fixtures and fittings £ | Totals £ |
|------------------------|----------------------------|-----------------------------|-------------------------------|-------------|
| COST | | | | |
| At 1 April 2017 | 6,000 | 113,495 | 56,578 | 176,073 |
| Disposals | (6,000) | (34,853) | (7,645) | (48,498) |
| At 31 March 2018 | - | 78,642 | 48,933 | 127,575 |
| DEPRECIATION | | | | |
| At 1 April 2017 | 720 | 113,495 | 51,723 | 165,938 |
| Charge for year | 120 | - | 546 | 666 |
| Eliminated on disposal | (840) | (34,853) | (6,350) | (42,043) |
| At 31 March 2018 | - | 78,642 | 45,919 | 124,561 |
| NET BOOK VALUE | | | | |
| At 31 March 2018 | - | - | 3,014 | 3,014 |
| At 31 March 2017 | 5,280 | - | 4,855 | 10,135 |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

| | 2018 | 2017 |
|--------------------------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 10,074 | 131,873 |
| Prepayments and accrued income | <u>6,519</u> | <u>5,393</u> |
| | <u>16,593</u> | <u>137,266</u> |

Company

| | 2018 | 2017 |
|--------------------------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 6,795 | 130,523 |
| Prepayments and accrued income | <u>3,930</u> | <u>3,034</u> |
| | <u>10,725</u> | <u>133,557</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 19,752 | 54,388 |
| Social security and other taxes | 16,958 | 18,494 |
| Other creditors | 49,908 | 22,018 |
| Accruals and deferred income | <u>25,233</u> | <u>68,411</u> |
| | <u>111,851</u> | <u>163,311</u> |

Included in creditors is deferred income totalling £5,591 (2017: £34,000) in relation to grants for which one or more of the criteria for recognition have not been met.

Company

| | 2018 | 2017 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 7,335 | 17,793 |
| Social security and other taxes | 8,720 | 8,645 |
| Other creditors | 5,136 | 5,459 |
| Accruals and deferred income | <u>11,748</u> | <u>49,790</u> |
| | <u>32,939</u> | <u>81,687</u> |

Included in creditors is deferred income totalling £2,000 (2017: £34,000) in relation to grants for which one or more of the criteria for recognition have not been met.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

16. MOVEMENT IN FUNDS

| Group | At 1/4/17 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/18 £ |
|--|-----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted funds | | | | |
| General Fund – Engage Renfrewshire | 383,393 | 351,359 | (650,617) | 84,135 |
| General Fund – Childcare First | <u>68,737</u> | <u>204,130</u> | <u>(202,387)</u> | <u>70,480</u> |
| | <u>452,130</u> | <u>555,489</u> | <u>(853,004)</u> | <u>154,615</u> |
| Designated funds | | | | |
| Pension Reserve – Engage Renfrewshire | (304,000) | - | 654,000 | 350,000 |
| Pension Reserve – Childcare First | (213,000) | - | 181,000 | (32,000) |
| Redundancy Reserve – Engage Renfrewshire | 135,244 | - | - | 135,244 |
| Redundancy Reserve – Childcare First | 163,785 | - | 11,387 | 175,172 |
| Capital Fund – Engage Renfrewshire | 5,884 | - | - | 5,884 |
| Software – Engage Renfrewshire | 20,000 | - | - | 20,000 |
| Employment expense – Engage Renfrewshire | 3,383 | - | (3,383) | - |
| Business Development Reserve – Childcare First | <u>30,000</u> | <u>-</u> | <u>10,000</u> | <u>40,000</u> |
| | <u>(158,704)</u> | <u>204,130</u> | <u>853,004</u> | <u>694,300</u> |
| Total | 293,426 | 555,489 | - | 848,915 |
| Restricted funds | | | | |
| Credit Union Development Fund - Engage | 8,035 | 3,050 | - | 11,085 |
| STV Appeal - Engage | 2,272 | (2,268) | - | 4 |
| Joint Employability Programme - Engage | - | 2,201 | - | 2,201 |
| Ready Steady Restore – Childcare First | 16,361 | 4,680 | - | 21,041 |
| Flightpath outing – Childcare First | <u>-</u> | <u>591</u> | <u>-</u> | <u>591</u> |
| | <u>26,668</u> | <u>8,254</u> | <u>-</u> | <u>34,922</u> |
| TOTAL FUNDS | <u>320,094</u> | <u>563,743</u> | <u>-</u> | <u>883,837</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

16. MOVEMENT IN FUNDS

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 | 71,270 | (69,911) | 350,000 | 351,359 |
| General Fund – Childcare First | 387,218 | (394,088) | 211,000 | 204,130 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 458,488 | (463,999) | 561,000 | 555,489 |
| Inter-group transaction eliminated | (15,000) | 15,000 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 443,488 | (448,999) | 561,000 | 555,489 |
| Restricted funds | | | | |
| Renfrewshire Council – Core Funding – Engage Renfrewshire | 360,610 | (360,610) | - | - |
| Renfrewshire Council – Core Funding – Childcare First | 302,997 | (302,997) | | |
| Scottish Government – Core Funding – Engage Renfrewshire | 198,400 | (198,400) | - | - |
| Credit Union – Engage Renfrewshire | 34,000 | (30,950) | - | 3,050 |
| STV Appeal – Engage Renfrewshire | - | (2,268) | - | (2,268) |
| Joint Employability Programme – Engage Renfrewshire | 8,500 | (6,299) | - | 2,201 |
| Ready Steady Restore – Childcare First | 84,000 | (79,320) | - | 4,680 |
| Flightpath outing | 1,000 | (409) | - | 591 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 989,507 | (981,253) | - | 8,254 |
| TOTAL FUNDS | <u>1,432,995</u> | <u>(1,430,252)</u> | <u>561,000</u> | <u>563,743</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| Group | At 1/4/16 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/17 £ |
|--|-----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted Funds | | | | |
| General Fund – Engage Renfrewshire | 362,991 | 41,352 | (20,950) | 383,393 |
| General Fund – Childcare First | <u>67,519</u> | <u>1,931</u> | <u>(713)</u> | <u>68,737</u> |
| | <u>430,510</u> | <u>43,283</u> | <u>(21,663)</u> | <u>452,130</u> |
| Designated funds | | | | |
| Pension Reserve – Engage Renfrewshire | - | (304,000) | - | (304,000) |
| Pension Reserve – Childcare First | (33,000) | (180,000) | - | (213,000) |
| Redundancy Reserve – Engage Renfrewshire | 121,306 | - | 13,938 | 135,244 |
| Redundancy Reserve – Childcare First | 163,785 | - | - | 163,785 |
| Capital Fund - Engage | 5,884 | - | - | 5,884 |
| Software - Engage | - | - | 20,000 | 20,000 |
| Employment expense - Engage | - | - | 3,383 | 3,383 |
| Business Development – Childcare First | <u>-</u> | <u>-</u> | <u>30,000</u> | <u>30,000</u> |
| | <u>257,975</u> | <u>(484,000)</u> | <u>67,321</u> | <u>(158,704)</u> |
| Total | 688,485 | (440,717) | 45,658 | 293,426 |
| Restricted Funds | | | | |
| Credit Union Development Fund – Engage Renfrewshire | - | 8,035 | - | 8,035 |
| STV Appeal – Engage Renfrewshire | 1,953 | 319 | - | 2,272 |
| SCVO One Digital – Engage Renfrewshire | 740 | - | (740) | - |
| Big Lottery Fund – Engage Renfrewshire | 5,150 | (5,150) | - | - |
| Scottish Government – Core Funding – Engage Renfrewshire | - | 14,476 | (14,476) | - |
| Community Jobs – Engage Renfrewshire | - | 1,155 | (1,155) | - |
| Business Development – Childcare First | 19,551 | - | (19,551) | - |
| Renfrewshire Council – Childcare First | 9,836 | (100) | (9,736) | - |
| Ready Steady Restore – Childcare First | <u>-</u> | <u>16,361</u> | <u>-</u> | <u>16,361</u> |
| | <u>37,230</u> | <u>35,096</u> | <u>(45,658)</u> | <u>26,668</u> |
| TOTAL FUNDS | <u>725,715</u> | <u>(405,621)</u> | <u>-</u> | <u>320,094</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

16. 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 | 68,626 | 264,726 | (292,000) | 41,352 |
| General Fund – Childcare First | 366,495 | (364,564) | - | 1,931 |
| Pension Reserve – Engage Renfrewshire | - | (304,000) | - | (304,000) |
| Pension Reserve – Childcare First | - | (10,000) | (170,000) | (180,000) |
| | 435,121 | (413,838) | (462,000) | (440,717) |
| Inter group transaction eliminated | (15,001) | 15,001 | - | - |
| | <u>420,120</u> | <u>(398,837)</u> | <u>(462,000)</u> | <u>(440,717)</u> |
| Restricted funds | | | | |
| Renfrewshire Council – Core Funding – Engage Renfrewshire | 385,255 | (385,255) | - | - |
| Renfrewshire Council – Core Funding – Childcare First | 302,897 | (302,997) | - | (100) |
| Scottish Government – Core Funding – Engage Renfrewshire | 198,400 | (183,924) | - | 14,476 |
| Credit Union – Engage Renfrewshire | 37,303 | (29,268) | - | 8,035 |
| STV Appeal – Engage Renfrewshire | 2,000 | (1,681) | - | 319 |
| Big Lottery Fund – Engage Renfrewshire | - | (5,150) | - | (5,150) |
| Community Jobs – Engage Renfrewshire | 1,955 | (800) | - | 1,155 |
| Ready Steady Restore – Childcare First | 87,100 | (70,739) | - | 16,361 |
| | <u>1,014,910</u> | <u>(979,814)</u> | <u>-</u> | <u>35,096</u> |
| TOTAL FUNDS | <u>1,435,030</u> | <u>(1,378,651)</u> | <u>(462,000)</u> | <u>(405,621)</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

16. MOVEMENT IN FUNDS

| Company | At 1/4/17 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/18 £ |
|-------------------------------|-----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted funds | | | | |
| General fund | <u>383,393</u> | <u>351,359</u> | <u>(650,617)</u> | <u>84,135</u> |
| Designated funds | | | | |
| Pension reserve | (304,000) | - | 654,000 | 350,000 |
| Redundancy Reserve | 135,244 | - | - | 135,244 |
| Capital Fund | 5,884 | - | - | 5,884 |
| Software | 20,000 | - | - | 20,000 |
| Employment expense | <u>3,383</u> | <u>-</u> | <u>(3,383)</u> | <u>-</u> |
| | <u>(139,489)</u> | <u>-</u> | <u>650,617</u> | <u>511,128</u> |
| Total | 243,904 | 351,359 | - | 595,263 |
| Restricted funds | | | | |
| Credit Union Development Fund | 8,035 | 3,050 | - | 11,085 |
| STV Appeal | 2,272 | (2,268) | - | 4 |
| Joint Employability Programme | <u>-</u> | <u>2,201</u> | <u>-</u> | <u>2,201</u> |
| | <u>10,307</u> | <u>2,983</u> | <u>-</u> | <u>13,290</u> |
| TOTAL FUNDS | <u>254,211</u> | <u>354,342</u> | <u>-</u> | <u>608,553</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 | 71,270 | (69,911) | 350,000 | 351,359 |
| Restricted funds | | | | |
| Renfrewshire Council – Core Funding | 360,610 | (360,610) | - | - |
| Scottish Government – Core Funding | 198,400 | (198,400) | - | - |
| Credit Union | 34,000 | (30,950) | - | 3,050 |
| STV Appeal | - | (2,268) | - | (2,268) |
| Joint Employability Programme | <u>8,500</u> | <u>(6,299)</u> | <u>-</u> | <u>2,201</u> |
| | <u>601,510</u> | <u>(598,527)</u> | <u>-</u> | <u>2,983</u> |
| TOTAL FUNDS | <u>672,780</u> | <u>(668,438)</u> | <u>350,000</u> | <u>354,342</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| Company | At 1/4/16 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/17 £ |
|------------------------------------|-----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted Funds | | | | |
| General fund | <u>362,991</u> | <u>41,352</u> | <u>(20,950)</u> | <u>383,393</u> |
| Designated funds | | | | |
| Pension reserve | - | (304,000) | - | (304,000) |
| Redundancy Reserve | 121,306 | - | 13,938 | 135,244 |
| Capital Fund | 5,884 | - | - | 5,884 |
| Software | - | - | 20,000 | 20,000 |
| Employment expense | - | - | 3,383 | 3,383 |
| | <u>127,190</u> | <u>(304,000)</u> | <u>37,321</u> | <u>(139,489)</u> |
| Total | 490,181 | (262,648) | 6,371 | 243,904 |
| Restricted Funds | | | | |
| Credit Union Development Fund | - | 8,035 | - | 8,035 |
| STV Appeal | 1,953 | 319 | - | 2,272 |
| SCVO One Digital | 740 | - | (740) | - |
| Big Lottery Fund | 5,150 | (5,150) | - | - |
| Scottish Government – Core Funding | - | 14,476 | (14,476) | - |
| Community Jobs | - | 1,155 | (1,155) | - |
| | <u>7,843</u> | <u>18,835</u> | <u>(16,371)</u> | <u>10,307</u> |
| TOTAL FUNDS | <u>498,024</u> | <u>(243,813)</u> | <u>-</u> | <u>254,211</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 | 68,626 | 264,726 | (292,000) | 41,352 |
| Pension reserve | - | (304,000) | - | (304,000) |
| | <u>68,626</u> | <u>(39,274)</u> | <u>(292,000)</u> | <u>(262,648)</u> |
| Restricted funds | | | | |
| Renfrewshire Council – Core Funding | 385,255 | (385,255) | - | - |
| Scottish Government – Core Funding | 198,400 | (183,924) | - | 14,476 |
| Credit Union | 37,302 | (29,267) | - | 8,035 |
| STV Appeal | 2,000 | (1,681) | - | 319 |
| Big Lottery Fund | - | (5,150) | - | (5,150) |
| Community Jobs | 1,955 | (800) | - | 1,155 |
| | <u>624,912</u> | <u>(606,077)</u> | <u>-</u> | <u>18,835</u> |
| TOTAL FUNDS | <u>693,538</u> | <u>(645,351)</u> | <u>(292,000)</u> | <u>(243,813)</u> |

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

16. 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 the prior year, Renfrewshire Council provided Engage Renfrewshire with funds totalling £37,302, of which £29,267 had been expended, for the purpose of developing a Credit Union. A further £34,000 was received in the current year, with further related expenditure of £30,950. As at 31 March 2018, there are unspent funds totalling £11,085. This project is ongoing to May 2018.

For Engage Renfrewshire, as at 31 March 2018, there is a surplus on the Joint Employability Programme of £2,201 (2017: £nil). This project completed in March 2018. The company is awaiting confirmation from the funder as to whether the surplus funds are to be returned or whether they can be retained to fund further assessments.

The Designated Redundancy Reserve of Engage Renfrewshire has been retained at £135,244 (2017: £135,244). For Childcare First, a transfer of £11,387 has been made from General Reserves to bring the Designated Redundancy Reserve Fund to £175,172 (2017: £163,785). These provisions are to cover the costs of redundancies in the event that the companies require to be wound up.

Engage Renfrewshire's Designated Software Reserve has been retained at £20,000 (2017: £20,000) and is to cover the cost of a potential accountancy package upgrade and its Designated Capital Fund has been retained at £5,884 (2017: £5,884) and is to cover the cost of property improvements and repairing vandalism damage to cladding. The Designated Employment Expense Fund of £3,383 brought forward from last year is no longer required and as such, has been reallocated to the General Fund.

For Engage Renfrewshire, as highlighted in note 17, the pension scheme surplus as at 31 March 2018 determined by the scheme actuaries was £638,000 (2017: deficit of £304,000). The surplus has arisen due to the customising of underlying actuarial assumptions and in the opinion of the trustees, this improvement is 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 to absorb any future fluctuations in value.

For Childcare First, there was a transfer of £181,000 from the Designated Pension Reserve to the General Fund in respect of the reduction in the scheme deficit during the year, from £213,000 to £32,000.

For Childcare First, additional funding was received from the Big Lottery and the Robertson Trust 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 July 2018.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

17. 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 CM12016 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 | 21.4 | 23.7 |
| Future pensioners | 23.4 | 25.8 |

For the purposes of FRS 102, an actuarial valuation of each company's section of the Fund as at 31 March 2018 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:-

Company

| | 2018 | 2017 |
|--------------------------|-------------|-------------|
| Discount rate | 2.7% | 2.6% |
| Future salary increases | 2.2% | 4.4% |
| Future pension increases | 2.2% | 2.4% |

Childcare First

| | 2018 | 2017 |
|--------------------------|-------------|-------------|
| Discount rate | 2.7% | 2.6% |
| Future salary increases | 3.6% | 4.4% |
| Future pension increases | 2.4% | 2.4% |

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

**17. EMPLOYEE BENEFIT OBLIGATIONS
- continued**

Group

The amounts recognised in the Balance Sheet are as follows:

| | Defined benefit pension plans | |
|---------------------------------------|--------------------------------------|-------------------------|
| | 2018 | 2017 |
| | £ | £ |
| Present value of funded obligations | (5,175,000) | (6,141,000) |
| Present value of unfunded obligations | (72,000) | (74,000) |
| Fair value of plan assets | <u>5,853,000</u> | <u>5,698,000</u> |
| Net surplus / (deficit) | 606,000 | (517,000) |
| Less curtailment of scheme assets | (638,000) | - |
| Net deficit | <u>(32,000)</u> | <u>(517,000)</u> |

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

| | Defined benefit pension plans | |
|---|--------------------------------------|-----------------------|
| | 2018 | 2017 |
| | £ | £ |
| Current service cost | 127,000 | 92,000 |
| Net interest from net defined benefit asset/liability | <u>15,000</u> | <u>(2,000)</u> |
| | <u>142,000</u> | <u>90,000</u> |

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

| | Defined benefit pension plans | |
|--|--------------------------------------|-------------------------|
| | 2018 | 2017 |
| | £ | £ |
| Defined benefit obligation | 6,215,000 | 4,527,000 |
| Current service cost | 127,000 | 92,000 |
| Contributions by scheme participants | 19,000 | 19,000 |
| Interest cost | 162,000 | 159,000 |
| Benefits paid | (129,000) | (50,000) |
| Remeasurements: | | |
| Actuarial (gains)/losses from changes in demographic assumptions | (24,000) | - |
| Actuarial (gains)/losses from changes in financial assumptions | (555,000) | 1,465,000 |
| Other experience remeasurement | <u>(568,000)</u> | <u>3,000</u> |
| | <u>5,247,000</u> | <u>6,215,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

17. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Fair value of scheme assets | 5,698,000 | 4,494,000 |
| Contributions by employer | 62,000 | 64,000 |
| Contributions by scheme participants | 19,000 | 19,000 |
| Expected return | 147,000 | 161,000 |
| Actuarial gains – return on assets | 27,000 | 1,006,000 |
| Benefits paid | (100,000) | (46,000) |
| | <u>5,853,000</u> | <u>5,698,000</u> |

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

| | Defined benefit pension plans | |
|--|-------------------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Actuarial gains/(losses) from changes in demographic assumptions | 24,000 | - |
| Actuarial gains/(losses) from changes in financial assumptions | 555,000 | (1,465,000) |
| Other experience remeasurement gains/(losses) | 568,000 | (3,000) |
| Return on plan assets (excluding interest income) | 52,000 | 909,000 |
| | <u>1,199,000</u> | <u>(559,000)</u> |
| Curtailment of scheme surplus | (638,000) | 97,000 |
| | <u>561,000</u> | <u>(462,000)</u> |

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

| | Defined benefit pension plans | |
|----------|-------------------------------|------|
| | 2018 | 2017 |
| Equities | 70% | 73% |
| Bonds | 18% | 12% |
| Property | 11% | 10% |
| Cash | 1% | 5% |

The employer contributions for the group for the year ended 31 March 2019 will be approximately £65,000.

ENGAGE RENFREWSHIRE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

Company

The amounts recognised in the Balance Sheet are as follows:

| | Defined benefit pension plans | |
|---------------------------------------|--------------------------------------|-------------------------|
| | 2018 | 2017 |
| | £ | £ |
| Present value of funded obligations | (3,770,000) | (4,613,000) |
| Present value of unfunded obligations | (72,000) | (74,000) |
| Fair value of plan assets | <u>4,480,000</u> | <u>4,383,000</u> |
| Net surplus / (deficit) | 638,000 | (304,000) |
| Less curtailment of scheme assets | (638,000) | - |
| Net asset / (deficit) | <u>-</u> | <u>(304,000)</u> |

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

| | Defined benefit pension plans | |
|---|--------------------------------------|-----------------------|
| | 2018 | 2017 |
| | £ | £ |
| Current service cost | 79,000 | 57,000 |
| Net interest from net defined benefit asset/liability | <u>9,000</u> | <u>(3,000)</u> |
| | <u>88,000</u> | <u>54,000</u> |

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

| | Defined benefit pension plans | |
|--|--------------------------------------|-------------------------|
| | 2018 | 2017 |
| | £ | £ |
| Defined benefit obligation | 4,687,000 | 3,440,000 |
| Current service cost | 79,000 | 57,000 |
| Contributions by scheme participants | 12,000 | 12,000 |
| Interest cost | 122,000 | 121,000 |
| Benefits paid | (113,000) | (32,000) |
| Remeasurements: | | |
| Actuarial (gains)/losses from changes in demographic assumptions | (27,000) | - |
| Actuarial (gains)/losses from changes in financial assumptions | (448,000) | 1,086,000 |
| Other experience remeasurement | <u>(470,000)</u> | <u>3,000</u> |
| | <u>3,842,000</u> | <u>4,687,000</u> |

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

17. EMPLOYEE BENEFIT OBLIGATIONS
- continued

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

| | Defined benefit pension plans | |
|--------------------------------------|-------------------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Fair value of scheme assets | 4,383,000 | 3,440,000 |
| Contributions by employer | 38,000 | 38,000 |
| Contributions by scheme participants | 12,000 | 12,000 |
| Expected return | 113,000 | 124,000 |
| Actuarial gains – return on assets | 43,000 | 797,000 |
| Benefits paid | (109,000) | (28,000) |
| | <u>4,480,000</u> | <u>4,383,000</u> |

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

| | Defined benefit pension plans | |
|--|-------------------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Actuarial gains/(losses) from changes in demographic assumptions | 27,000 | - |
| Actuarial gains/(losses) from changes in financial assumptions | 448,000 | (1,086,000) |
| Other experience remeasurement gains/(losses) | 470,000 | (3,000) |
| Return on plan assets (excluding interest income) | 43,000 | 700,000 |
| | <u>988,000</u> | <u>(389,000)</u> |
| Curtailment of scheme surplus | (638,000) | 97,000 |
| | <u>350,000</u> | <u>(292,000)</u> |

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

| | Defined benefit pension plans | |
|----------|-------------------------------|------|
| | 2018 | 2017 |
| Equities | 70% | 73% |
| Bonds | 18% | 12% |
| Property | 11% | 10% |
| Cash | 1% | 5% |

For Engage Renfrewshire, in their FRS 102 Results Schedule for the year ended 31 March 2018, the scheme actuaries determined that there was a scheme surplus as at the balance sheet date of £638,000. Under FRS 102, 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 are satisfied that neither of these conditions will be met. The surplus arose due to the customising of underlying actuarial assumptions and in the opinion of the trustees, this improvement is short term as the overall trend within the scheme in the medium to long term is expected to be one of increased liabilities. As a consequence, the above asset has been curtailed and the surplus/deficit as at 31 March 2018 has been reflected in the financial statements at £nil.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

17. EMPLOYEE BENEFIT OBLIGATIONS - continued

The company's contributions for the year ended 31 March 2019 will be approximately £41,000.

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 £72,000 (2017: £74,000). 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 (2017: £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 £19,559 (2017: £18,310). Contributions totalling £2,753 (2017: £2,988) 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 £10,047 (2017: £8,224). Contributions totalling £1,504 (2017: £1,207) were payable to the fund at the balance sheet date and are included in creditors.

18. RELATED PARTY DISCLOSURES

Details regarding the remuneration of key management personnel are provided in note 11.

19. LEASING AGREEMENTS

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

| | 2018 | 2017 |
|----------------------|---------------|---------------|
| | £ | £ |
| Group | | |
| Within one year | 11,317 | 4,880 |
| In 1 to 5 five years | 8,606 | 9,089 |
| | <u>19,923</u> | <u>13,969</u> |
| Company | | |
| Within one year | 4,060 | 1,511 |
| In 1 to 5 five years | 4,545 | 2,351 |
| | <u>8,625</u> | <u>3,862</u> |

20. FUNDS HELD AS AGENT

During the year, Engage Renfrewshire, in the capacity of agent, provided payroll and financial services support to 61 individual clients and 23 organisations. During the year, the company received funds totalling £2,155,989 (2017: £2,042,268) from these parties and made payments on their behalf totalling £2,161,077 (2017: £1,960,548). As at 31 March 2018, Engage Renfrewshire held funds in trust for these parties totalling £401,053 (2017: £459,058). In accordance with FRS 102, the bank balances held in trust have not been recognised as an asset of the company.