

# Annual Accounts

Director's Report & Financial Statements  
for the Year Ended 31<sup>st</sup> March 2022



includem 

## Contents

<b>Reference &amp; Administrative Details of the Charity, it's Directors and Advisors for the Year Ended 31<sup>st</sup> March 2022.....</b>	<b>3</b>
<b>Chair &amp; Chief Executive's Statement for the Year Ended 31st March 2022 .....</b>	<b>4</b>
<b>Director's Report for the Year Ended 31st March 2022 .....</b>	<b>10</b>
<b>Independent Auditor's Report to the Members of includem.....</b>	<b>22</b>
<b>Statement of Financial Position as at 31<sup>st</sup> March 2022 .....</b>	<b>28</b>
<b>Statement of Cash Flows for the Year Ended 31st March 2022 .....</b>	<b>30</b>
<b>Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March 2022.....</b>	<b>31</b>

## Reference & Administrative Details of the Charity, it's Directors and Advisors for the Year Ended 31<sup>st</sup> March 2022

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<b>Directors</b>	Iain Forbes, Chair John Fanning, Vice Chair Bruce Marks, Treasurer & Secretary Abigail Kinsella Sally Kuenssberg Morag Gunion Stephen McNeill David Brown Kevin O'Hare Donna Bell
<b>Company Registered Number</b>	SC207985
<b>Charity Registered Number</b>	SC030233
<b>Registered Office</b>	Unit 6000 Academy Business Park Gower Street Glasgow G51 1PR
<b>Company Secretary</b>	Bruce Marks
<b>Chief Executive Officer</b>	Martin Dorchester
<b>Independent Auditor</b>	Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
<b>Bankers</b>	The Royal Bank of Scotland 10 Gordon Street Glasgow G1 3PL
<b>Solicitors</b>	Burness Paull 120 Bothwell Street Glasgow G2 7Jl

## Chair & Chief Executive's Statement for the Year Ended 31st March 2022

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### Chair's Introduction

The second of my annual chair's report bears witness to another highly challenging year with a continuation of several of the problems associated with Covid combined with an inconsistent funding environment. At our annual strategy day in December 2021 the board along with the CEO, Martin Dorchester, and his executive team reviewed our current strategic objectives. Two of our main objectives are to diversify our income streams and increase the range and number of services we can offer to children, young people and families. I am pleased to report that these were found to still be valid, and that good progress was made on both fronts during the year.

An income increase of £300k was offset by planned investment in new services, essential research, and participation into, and particularly with, the young people and families we support as well as upgrading some of our software and IT equipment resulting in a deficit for the year of £421K. We already have evidence that this investment is paying dividends in terms of new services and contracts in health in Glasgow, Fife, and Stirling and in education in Dundee. In addition, our funding partnership with the Scottish Government for our Adapt project to support and reduce the number of young people within the justice system is proving very successful to such an extent that we believe its scope could be widened in the years to come.

Funding, is of course, a real challenge for organisations like includem which depend mainly on funding from public bodies such as Local Authorities, Scottish Government, NHS etc. We recognise there are funding constraints in all areas, but I would make this plea on behalf of organisations in the Third Sector providing services similar to includem to ALL funders. Please build in some inflation proofing to contracts or grants which are greater than one year long. It is clear and obvious that a flat rate grant of say £200k pa over a 3 or 5 year period must lose value after the first year. How can we be expected to deliver the same level and quality of services throughout the length of a contract when the monetary value is being eroded each year? This is particularly relevant currently when inflation is increasing at an alarming rate. One major impact of this is our ability to retain and recruit staff at a competitive rate which we can afford. It is perhaps ironic that some people leave the Third Sector because they can obtain better salaries and conditions in the public sector including some of the organisations which continue to offer flat rate contracts or grants.

## Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2022

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Despite all the challenges includem still strives to provide the highest quality and most effective service it can. The fact that we can do this so consistently is due to the professional and inclusive leadership of our CEO Martin Dorchester and his executive management team. They, together with all our staff who work tirelessly day in day out to provide essential support to children, young people and families in Scotland who experience significant vulnerabilities and marginalisation, are who make includem the wonderful organisation it has become. On behalf of the board, I would like to give our heartfelt thanks to all of them. I would also give my personal thanks to my fellow trustees for giving another year of their time, commitment, experience, and energy to ensure includem continues to develop as an organisation supporting more and more children, young people, and families across Scotland.



Iain Forbes

**Chairperson**

**Date:** 5<sup>th</sup> December 2022

## Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2022

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### Chief Executive's Statement

I introduced last year's accounts by stating that 2020/2021 had been the most challenging year in our 21-year history! I think 2021/22 has actually surpassed this in the challenges we have faced, the risks we have taken and the investments we have made to support the children, young people and families we serve.

However, although it has been a tough year for us, it has been much worse for the children, young people, and families we support, who in the main come from the most deprived areas in our society and are most vulnerable to social, health and economic shocks. The level of need and support required is huge and growing and in many ways this year has been one of "firefighting" while delivering our strategy and supporting our communities.

The year began still in the grip of COVID-19 but with a staged plan to remove restrictions and return our society to a more "normal" footing. It would be fair to say that the UK vaccine effort was quite astounding, and the people involved deserve our praise and thanks. However, the COVID-19 pandemic had already had major consequences for people's perceptions and expectations of social care services. Workforce shortages were the single biggest challenge in social care before the pandemic, and this last year we have seen, and continue to see, staff overstretched, exhausted and difficult to recruit or retain. Responding to COVID-19 has caused disruption, delays, and increased demands on our services, resulting in a growth in unmet need which we are seeing manifested in our flexible response service.

Additionally, this year has seen some noticeable events: A Scottish Government election, COP26 and latterly a war in Europe. Add these macro issues to a challenging economy, where we have seen the withdrawal of the £20 increase in Universal Credit, the energy cost cap lifted and inflation rise significantly, the increasing burden added faced by people and communities we serve has grown exponentially.

In part due to these challenges but also in response to changes in our funding landscape we have revisited our strategic objectives and found them to be robust and still relevant. These objectives help focus the organisation on our mission and vision and allow us to continually refocus the organisation on delivering the right services to the right people in line with The Promise, UNCRC and GIRFEC.

I hope this backdrop provides a basis to understand the context of our annual report and provide insight into the future direction for the organisation:

## Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2022

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Financially it has been a very difficult year for includem. Year on Year revenue grew from £4.8m to £5.1m which was an outstanding performance given we that had lost over £1m of revenue from our largest single contract. However, a profit of £141k in 2020/21 turned into a deficit of £421k in 2021/22. The deficit has been mainly driven by our ongoing investment in the design and delivery of new services, our ongoing commitment to invest in research and participation and a re-balancing of contracts with local authorities. Added to this it has been an exceedingly difficult funding landscape with all parts of the economy feeling the pressure.

Over the past 12 months we have invested significantly in new services and innovative service design. Includem now operates across health, justice, social work, education and residential settings. Following our investment into developing our capability in health includem now has a contract with NHS Glasgow City Youth Health Service to deliver Multiple Risk Services. Furthermore, we now deliver new health services in both Fife and Stirling in addition to our core social work contracts. In 2020/2021 includem invested in running an education project in Longhaugh, Dundee. Following a successful pilot includem now has a funded contract to deliver these services. Added to these investments includem invested heavily in its ADAPT project to deliver services in the justice sector, aimed at reducing the number of young people in conflict with the law and to also ensure they and their families receive the appropriate level of support. This is a significant and long-term investment, and the Scottish Government funded a large part of the cost. Includem is also working with Nurture 1 to develop a better form of support for young people in residential settings. While all this work has been underway, we have been successful in winning all 4 lots for Glasgow Children's services tender, grown our contract in Dundee, increased our work in Falkirk, gained funding from funders including CORRA, Tartan Army and Arnold Clarks. As a testament to our reach, we were awarded £100k by Scottish Government as part of the Cash First Approach.

It would be remiss of me if I did not comment on the growth of demand for our flexible response team. We have and continue to see increases in demand for these services from housing, mental health and wellbeing, education, justice, residential, cross border, and self-referral. I commented earlier on unmet demand, and it has at a minimum doubled. Includem's mission hasn't changed: "Our mission is to provide the support children and young people need to make positive changes in their lives, and inspire a more hopeful future for children, young people, their families and communities." However, in the climate we are now in, with limited funding and hard choices being made this will become increasingly challenging to deliver, but we will!

## Chair & Chief Executive’s Statement (continued) for the Year Ended 31st March 2022

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As part of building our learning and improving our services we have continued to invest heavily in research and participation. We have produced a range of research and blogs covering topics such as: mental health, poverty, education, and family wellbeing. I am particularly proud of our investment in and use of peer research. This means that the voice of lived experience is woven into the fabric of all we do. Research published has included:

“[Voices: Families Experiences of Poverty and Services](#) (ACADEMIC) (2021/11)”,

“[The School Experience of Young People: pre and during Covid-19](#) (2021/08)”

“[Poverty-related Stigma Research](#) (2022/03)”

Much of our research been presented at major forums, referenced by other bodies, and helped deliver much greater insight into the children, young people, families and communities we work with. This learning enables us to design and deliver better services and align to the findings of The Promise.

Ongoing we have carried out participation work throughout the year, appointed participation officers and engaged with more and more young people to capture and embed their experiences and their views. Aligned to the work on developing new learning and service design we completed a refresh of our toolkit: “A Better Life”. This was a significant piece of work and we engaged with academics and practitioners to deliver this.

In regard to the development of “our voice” I am particularly proud of our project Needs Now:

WHAT IS NEEDS NOW? Over the years, includem has sought the views of children, young people and families across a number of areas – including services, school experiences, mental health and wellbeing, youth justice, poverty and more. Building on this understanding and practice, we worked with those we support to develop the #NeedsNow Manifesto for the 2022 local elections – focused on what they believe is needed in communities. This is intended to be the beginning of a larger conversation, bringing what matters to children, young people, and families to the heart of our policy & research. We are on a journey to embed participation and co-production into everything we do to #KeepThePromise. We will continue to build the Space, Voice, Audience, and Influence needed to ensure their expertise by experience is recognised and heard.

In many ways a high-level indicator of our development in terms of learning, research and participation is encompassed in the National Childhood Bereavement Project that includem is delivering.



## Chair & Chief Executive's Statement (continued) for the Year Ended 31st March 2022

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The National Childhood Bereavement project will deliver its final report in September/October 2022, but this year we delivered the interim report. A mix of lived and expert experience has been captured in a project led by someone with lived experience, supported by an organisation that believes in lived experience. It is a national project we can all be proud of, and I am looking forward to seeing the final version and sharing it with the Scottish Government, but more importantly with children and young people across Scotland.

I am as ever, humbled to lead includem and especially at this time in our history. We have and continue to develop and grow our services into new but complimentary areas. We are investing in children and young people as well as colleagues to make a difference to our families and communities. We engage deeply with the voice of lived experience and call out our learning with conviction and confidence. I expect next year that our revenue will continue to grow as our reach extends and our profitability to normalise following a heavy investment programme this year. We will continue to diversify our services, but we will never lose our focus on children, young people and families. We will continue to work with and within communities and we will continue to make a difference.

Finally, as I look to the future, I am confident that includem is well placed to deliver services across the whole of Scotland. We are aligned to the aspirations of the National Care Service, we are committed to delivering the Promise and we are focused as an organisation on the rights and needs of the children, young people and communities we work with. At a time when relationships, values and trust have become even more important and necessary, includem lives and breathes them. As we move into 2022/23, we have already agreed secondments with CYCJ and the Scottish Government, we are already bidding for new contracts and preparing national proposals and we feel confident in the future.



Martin Dorchester

**Chief Executive Officer**

**Date:** 5<sup>th</sup> December 2022

## Director's Report for the Year Ended 31st March 2022

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The Directors present their annual report together with the audited financial statements of the Charity for the year 1 April 2021 to 31 March 2022. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Directors confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### Objectives and Activities

#### Objectives and Aims

The Charity's objectives are:

To advance citizenship and community development, promote equality, advance education, and health, prevent poverty and relieve those in need, and in particular, but without limitation, by:

- Providing intensive community-based support for young people with significant needs and risks, as the result of, for example, trauma, abuse, offending or relationship breakdown with the aim of improving their quality of life and unlocking their potential.
- Providing support for parents, carers, and other family members to rebuild family relationships and prevent the breakdown of accommodation.
- Working in partnership with local authorities, health services and other advisory or community organisations, to facilitate access to a full range of support and information networks; and
- Contributing to knowledge and research on young people and the sector more generally by encouraging, promoting, and facilitating research into the impact and effectiveness of the Charity's activities.

#### Significant Activities

The Charity's main activity is supporting vulnerable, distressed, and complex children and young people through intensive, integrated, one to one support. We primarily work with young people aged between 5 and 25 who are subject to formal measures of care and who are also looked after at home. We also work with children in schools raising attainment and within the justice environment.

## Director's Report (continued) for the Year Ended 31st March 2022

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We have an established infrastructure in Glasgow, Fife, Stirling, Dundee and Aberdeen and a delivery footprint covering the East & West of Scotland, primarily working in areas of multiple deprivation, providing support 24/7, through the includem helpline.

Our work challenges young people to achieve positive sustained change in their behaviour and relationships so they can move towards leading fulfilling lives.

We believe young people are never beyond reach and that they require the support of a responsible service at their time of most need. By achieving better outcomes for young people, we improve family relationships, community safety, provide for better futures, reduce public spending and divert them from the justice system. As a result, we build strong community, and the whole of society benefits.

### Achievements and Performance

#### Charitable Activities

The Charity has been resolute in its commitment to engage, support and encourage the most vulnerable and disadvantaged children, young people, and families within communities in Scotland. This clear and defined purpose aligned with the steadfast assistance received from Local Authorities, grant funders, partners and stakeholders has ensured that the impact of our operations has been both wide reaching and empowering to the people whom it has supported into meaningful and life changing circumstances.

Includem has been supporting young people and their families for 22 years and has helped over 900 young people this year. Though significant, this achievement represented only part of a wide range of services provided by the Charity with designated reserves supporting additional projects identified through need and gaps in service provision.

The Board maintained the Charity's focus during 2021/22 on supporting individuals and key target groups with multiple challenges and continued providing services that support those needs. By focusing activity on key target groups, including those with multiple and complex needs, the Charity also continued to address its long-held commitment to support and engage with the most disadvantaged communities in Scotland by providing guidance, encouragement, and a route to social inclusion. This, in a number of circumstances, is extremely challenging and is only possible due to the range of support measures coordinated by includem and with the support of a network of partners.

## Director's Report (continued) for the Year Ended 31st March 2022

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Over the last 22 years includem has supported Fair Work Practices, through measures such as the adoption and accreditation of the Living Wage, supporting the Scottish Business Pledge and the introduction of people-friendly (flexible) working policies.

Includem continues to support community events to raise awareness of services available to the community by:

- Engaging local schools to promote services and widen participation by providing accessible opportunities.
- Hosting consultation events with local people to actively encourage co-production and help shape future service provision for the community.
- Promoting gender equality, the Living Wage and Fair Work Practices within the workplace.

### The Care Inspectorate

Includem's last inspection was just before the national lockdown in February 2020 and there has been no formal inspection since then. During lockdown we quickly adapted to a different way of engaging with the Care Inspectorate on an ongoing basis.

The senior services team has been meeting with our inspector on a quarterly basis which has enabled us to continue to develop the quality of our services but also our national reach and impact. Our inspector has praised includem for their response to the pandemic and ensuring services were delivered throughout the pandemic, particularly the speed at which we resumed face to face support to children, young people, and families once we had the guidance and risk assessment in place for staff.

The regular sharing of information has ensured the Care Inspectorate has seen the positive developments we have made in developing and expanding our service offer across Scotland, increasing the public voice of includem across a number of forums and national platforms and further embedding participation.

Our inspector was also very positive about the investment includem had made in additional staff, justice services and research to further evidence the need for includem support to children, young people, and families across Scotland. Although a formal inspection was not instructed by the Care Inspectorate during the 2021/22 financial year, we continue to be regarded as sector leaders and recognised as supporting the most number of young people in community based services across Scotland.

The full report is available to download [Find care \(careinspectorate.com\)](https://www.careinspectorate.com).

## Director's Report (continued) for the Year Ended 31st March 2022

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### Financial Review

#### Results

Income for the year was £5,163,407: £4,838,725) reflecting new contracts and grant income, and expenditure was £5,636,896 (2021: £4,948,750). After net gains on investments of £52,376 (2021: gains £251,683) a deficit of £421,113 is reported (2021: surplus £141,658).

#### Going Concern

After making appropriate enquiries, considering the cost-of-living increase, stability of the Charity's income streams and ongoing global impact of Covid-19 on the operations and financial resources of the Charity and preparing cash flow forecasts for the period of 16 months from the date of approval of the financial statements, the Board has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### Investment Policy and Performance

Under the Memorandum and Articles of Association the Charity has the powers to invest funds not immediately required for the purposes of the Charity's activities in such investments and securities in any way the Directors deem fit. The investment policy of the Charity is to maximise the investment returns whilst managing risk.

The risk level adopted as part of the Investment Policy continues to be low/medium.

The Board has appointed Brewin Dolphin as investment advisors to assist with the investment of Charity funds. The Trustees have asked Brewin Dolphin, who are a signatory to the UN Principles of Responsible Investment, to incorporate Environmental Social & Governance considerations as part of the investment selection process. In addition, investments are not made in areas that conflict with the aims and objectives of the charity.

#### Risk Management

The Board has identified the major strategic risks that includem is exposed to and has established controls and actions to minimise potential adverse outcomes. Risk is a significant part of daily operations for includem and is thus accorded considerable management time.

## Director's Report (continued) for the Year Ended 31st March 2022

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As far as possible, the Board has ensured that all operational risks to staff, assets and third parties have been examined and appropriate plans put in place to manage this risk. The most recent review of the corporate risk register identified the most serious risks to be of the following type:

- Financial – the funding environment and related controls bring financial challenges to operations, making them unsustainable.
- Operational – failings in safeguarding and health & safety responsibilities brings enforcement action and damages detrimentally affecting reputation.
- Operational – failure in data security practices and/or in responding to data access requests detrimentally affecting reputation.
- External – reductions in available funding bringing challenges to charity sustainability.
- External – increases in costs to meet funding requirements bringing challenges to charity sustainability.
- Operational – inability to attract, retain and remunerate appropriately suitably experienced staff in a very competitive marketplace.

The Board also actively reviews the major financial risks which includem faces on a regular basis and believes that maintaining free reserves at the levels stated, combined with ongoing review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

The Board undertakes a review of the risk register at every quarterly Board Meeting, which prioritises the main risks facing includem. It agrees actions to mitigate and manage these risks. The Chief Executive is accountable for implementing these actions.

The Board considers the following to be the main risks faced by the organisation:

- Loss or reductions in contract and funding levels, less flexibility in funding structures and short-term agreements
- Changing policy priorities at national and local government levels
- Failure in child protection practices could lead to child harm

## Director's Report (continued) for the Year Ended 31st March 2022

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### Reserves Policy

The Board approved the Reserves Policy at the Board Meeting in December 2021. The Board will review reserves levels annually to ensure they are appropriate to the Charity's needs, taking into account the risks and challenges facing the organisation. In December 2021, the Board considered the appropriate level of free reserves required to meet includem's contractual obligations and settle all liabilities in the event of winding up the charity. This figure is currently £1.2m which also equates to approximately three months running costs of the charity.

Any funds in excess of these reserves will be made available for projects that support and further the Charity's purpose and strategy. Funds are transferred to a designated reserve, with oversight by the Finance Committee. To release funds requires a fully costed proposal, reviewed by the Finance Committee, and approved by the Board. The Finance Committee monitor the expenditure to ensure objectives are met.

The balance of Restricted Funds held at 31 March 2022 amounted to £30,040 (2021: £18,191).

The unrestricted reserves of the Charity at 31 March 2022 are £1,678,107(2021: £2,111,069). After adjusting for tangible fixed assets, investments and designated reserves agreed by the Board of £361,516 (2021: £369,805), the 'free reserves' of the Charity are £120,651 (2021: £405,234).

## Structure, Governance and Management

### Constitution

Includem is a registered charity (registered in Scotland (No. SC030233) incorporated under the Companies Act 2006 as a company limited by guarantee (No. SC207985).

The Charity was established under a Memorandum of Association which established the objects and powers of the Charity and is governed under its Articles of Association. In the event of the Charity being wound up, members are required to contribute an amount not exceeding £1. Revisions were made to the Memorandum and Articles of Association in December 2017 to bring them into line with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and were approved by OSCR.

## Director's Report (continued) for the Year Ended 31st March 2022

### Board of Trustees

Board members serve until the next Annual General Meeting, at which the Members of the Charity will decide on their reappointment. The retiring Board Members who are eligible for re-election at the December 2022 AGM are:

- Morag Gunion
- David Brown
- Kevin O'Hare
- Iain Forbes

Board members who served during the year 2021/22 were:

**Iain Forbes** (Chair), served as Managing Director of The Herald and Evening Times before joining the third sector as CEO of the Scottish Mentoring Network. Iain previously chaired the Glasgow Education Business Partnership, Glasgow Childcare Partnership and Variety Scotland children's charity. In addition, he has been a director of the Association of Chief Officers of Scottish Voluntary Organisations and member of the Equalities Advisory Group for Scottish Enterprise.

**John Fanning** (Vice Chair) is a Chartered Accountant with extensive finance leadership experience in the private, public and third sectors. His most recent roles have been interim finance director roles in the charity sector. Prior to that, he was the Director of Finance at Registers of Scotland (Scotland's land registration service) and Director of Corporate Services at the Scottish Police Services Authority.

**Bruce Marks** (Treasurer and Secretary), Chartered Accountant and a Director at KPMG LLP. Bruce brings significant experience in Operational Financial Management and Corporate Governance and has provided accounting and financial advice to a range of charities over the course of the last 20 years.

**Abigail Kinsella** is a careers guidance professional who has extensive experience working in local government, in higher education institutions and Skills Development Scotland at a national level, supporting the development of education, employment and skills policy, strategy and implementation. Abigail has a keen interest in helping young people and adults develop their employability skills and achieve their career ambitions.

**Sally Kuenssberg CBE**, in a career relating to children and young people, Sally worked in the Scottish juvenile justice system for 20 years, training members of the Children's Panel then serving as first chair of the Scottish Children's Reporter Administration. She also chaired the Yorkhill NHS Trust and served on the Greater Glasgow and Clyde Health Board.



## Director's Report (continued) for the Year Ended 31st March 2022

Among many voluntary activities, she has been a Trustee of Save the Children and a governor of several schools.

**Morag Gunion** originally qualified as a teacher and taught in various schools in Glasgow and the west of Scotland before moving into senior posts in education, first as an inspector in HMIE and then as a head of service in Glasgow City Council. Morag retired from full time work three years ago, but still works with education authorities on a consultancy basis.

**Stephen McNeill** retired from Police Scotland in 2014 with the rank of Inspector having completed 30 years' service. He has a varied career history with postings to Divisional CID, Force Drug Squad, Scottish Crime and Drug Enforcement Agency (SCDEA) and Hostage and Crisis Negotiation Unit for Scotland (HCNUS).

**Stuart Kennedy** is an IT professional with over 10 years' experience, currently specialising in Cloud Computing for all major ERP suites. His career experience combines both technical knowledge and service management, over a broad spectrum of customer industries including manufacturing, retail, financial services, healthcare and public sector.

**David Brown** originally qualified as a chartered surveyor and brings wide experience of the commercial property sector over many years in senior roles with national firms. For the last 12 years, Dave has run his own business, specialising in providing consultancy support in the areas of community investment/social value and community consultation.

**Kevin O'Hare** has held a series of senior strategic communications roles in the Police, Scottish Government and public sector. Previously, Kevin worked in Scottish newspapers and was Chief Sub- editor at The Herald in Glasgow. He has an MSc in Public Relations from Stirling University and is a member of the Chartered Institute of Public Relations.

**Donna Bell** is Director of Mental Health, Learning Disability, Neurodiversity and Dementia at Scottish Government. She has previously led on a number of Scottish Government policy areas: Response to COVID-19 in Health and Social Care; Mental Health; Police; Improvement, Attainment and Wellbeing in Learning; Early Years; Youth Justice and Finance. Educated at Glasgow and Edinburgh Universities and the University of California, Berkeley, Donna initially worked in Financial Services, before joining the Scottish Government in 2002.

The Board provides its services on a voluntary basis and for this the charity is indebted to them.

## Director's Report (continued) for the Year Ended 31st March 2022

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### Method of Appointment of Election of Directors

The Board regularly reviews the skills currently represented by existing members and uses any identified gaps to frame the search for new members.

### Policies Adopted for the Induction and Training of Directors

New members of the Board receive information about the Charity and the role of Trustees from the Chair and Chief Executive prior to taking up position.

The Board meetings also allow the communication of changes in regulation and ensure that the Board members keep up to date. Board members review their performance and training needs as part of the annual strategy review.

### Organisation Structure and Decision Making

The Board has four committees which meet quarterly, Human Resources, Finance & IT, Services Development and Business Development & Engagement.

The Board meets quarterly during which time they receive information and reports from the four committees, the Chief Executive and executive team.

### Key Management Personnel

The Board takes responsibility for the strategic governance of includem and delegates implementation and operational management to the Chief Executive and a team of four senior executives.

Appointment of the Chief Executive and Senior Executives are approved by the Board with the Chair or appointed Trustees involved in the recruitment process. The Board sets the salaries of the senior executives and delegates responsibility to the Chief Executive and executive team to set all other salaries.

The performance of the Chief Executive in relation to the agreed strategic objectives is monitored by the Chair and regular appraisals are undertaken. The Chief Executive carries out regular appraisals with the Senior Executives. The executive team cover all the areas necessary to run the Charity and are detailed below:

## Director's Report (continued) for the Year Ended 31st March 2022

**Martin Dorchester**, Chief Executive - in a career spanning 30 years, Martin has operated nationally and internationally with organisations covering logistics, technology and finance. Martin was part of the team that brought the 5 radio authorities together to create Ofcom and worked with the London Borough of Hackney in developing its infrastructure for the 2012 Olympics.

Martin is Vice Convener of the Coalition of Care Providers in Scotland (CCPS) and was Co-Chair of the Independent Care Review. He has held a number of non-executive roles including Non-executive Director of Traveline Scotland, The Sailor's Orphan Society of Scotland, Transport for Wales and currently Office of the Secretary of State for Scotland (OSSS) and Office of the Advocate General for Scotland (OAG). He is a committed supporter of Social and Community Business and Chaired Firstport Ltd, a start-up funding organisation for social enterprises.

**Lynsey Smith**, Service Delivery Director – a qualified Psychologist, Lynsey has seen every aspect of how includem works from its inception, when she joined as a project worker, and has grown with includem to be responsible for all its service operations. Lynsey also contributes to public policy affecting young people in social care across Scotland.

**Andrew Collier**, Director of Strategic Development, and Innovation - MBA from Strathclyde University, spent 15 years with Calmac, culminating in his role as Operations Director, leads on our strategy to grow services through increased income generation to support future development and sustainability in includem.

**Lucy Neilson**, Head of Corporate Services - is a Chartered Management Accountant with extensive experience in the not-for-profit sector. Lucy brings expertise in financial and management reporting, medium and long-term budgeting and forecasting, risk management and change management. Lucy is responsible for HR, Finance, Support Services and IT.

**Meg Thomas**, Head of Research, Policy, and Participation – as a qualified Social Worker with nearly 30 years' experience, Meg has brought her practice experience into the role to ensure that the voices and experiences of young people and families includem support to influence policy and practice at the widest level. Meg is also responsible for ensuring the changes to practice and policy on a national level is incorporated into includem's day to day practice to ensure our services remain relevant and up to date.

## Director's Report (continued) for the Year Ended 31st March 2022

### Workforce

Includem's staff are an essential component of our work in improving the lives of young people and their families. Includem recognises that nurturing high performance through effective development of a diverse workforce is essential if we are to remain successful. To this end, includem has adopted a set of Policies and Procedures which ensure all decisions about the employment and development of our employees, or potential employees, are free from discrimination of any kind. Includem is committed to fair work practices and is a Living Wage Accredited employer.

In order to promote and ensure effective engagement with staff, an Employee Forum has been established with elected representation from various parts of the organisation. Includem also has a Mental Health First Aid Group with Mental Health First Aiders available to employees.

### Plans for Future Periods

The main challenges facing the Charity are the ongoing impact of cuts in government funding, the continuing uncertainty surrounding its operating environment and the challenges facing all organisations and individuals with the Coronavirus pandemic. The current economic landscape is impacting the majority of commercial business, which both directly and indirectly places pressure on the charity sector and in particular includem's operating partners. Over the period 2022/23 the Charity will continue to undertake a range of activities to develop and enhance the capacity and sustainability of the organisation and will advance its mission to be a leading provider of quality support in its sector.

### Director's Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

## Director's Report (continued) for the Year Ended 31st March 2022

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enables 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. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to Auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

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

This report was approved by the Board and signed on its behalf by:



Bruce Marks

**Secretary**

**Date:** 5<sup>th</sup> December 2022

## Independent Auditor's Report to the Members of includem

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### Opinion

We have audited the financial statements of includem (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for Opinion

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

## Independent Auditor's Report to the Members of includem

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### Conclusions Relating to Going Concern

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

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

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

### Other Information

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

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

## Independent Auditor's Report to the Members of includem (continued)

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### Opinion on Other Matters Prescribed by the Companies Act 2006

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

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

### Matters on Which We are Required to Report by Exception

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

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

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

### Responsibilities of Trustees

As explained more fully in the Directors' Responsibilities Statement (set out on page 20), the directors 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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



## Independent Auditor's Report to the Members of includem (continued)

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### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

## Independent Auditor's Report to the Members of includem (continued)

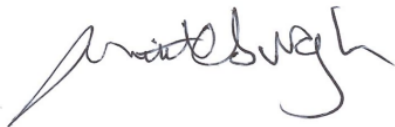
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We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a material misstatement due to fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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 directors, as a body, in accordance with 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 directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh (Senior Statutory Auditor)

For and on behalf of

**Chiene + Tait LLP**

Chartered Accountants and Statutory Auditors

61 Dublin Street, Edinburgh, EH3 6NL

Date: 8<sup>th</sup> December 2022

Chiene + Tait LLP are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## Statement of Financial Activities for the Year ended 31st March 2022 (Incorporating Income & Expenditure Account)

	Note	Unrestricted Funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	4	-	15,933	15,933	11,599
Charitable activities	5	2,992,451	2,110,663	5,103,114	4,800,647
Investments	6	28,533	-	28,533	26,479
Other income	7	15,827	-	15,827	-
<b>Total income</b>		<b>3,036,811</b>	<b>2,126,596</b>	<b>5,163,407</b>	<b>4,838,725</b>
<b>Expenditure on:</b>					
Raising funds	8	146,395	72,039	218,438	199,674
Charitable activities	9	3,422,971	1,995,487	5,418,458	4,749,076
<b>Total expenditure</b>		<b>3,569,370</b>	<b>2,067,526</b>	<b>5,636,896</b>	<b>4,948,750</b>
<b>Net income and expenditure before investment gains and losses</b>		<b>(532,559)</b>	<b>59,070</b>	<b>(473,489)</b>	<b>(110,025)</b>
Net gains on investments		52,376	-	52,376	251,025
<b>Net income/expenditure</b>		<b>(480,183)</b>	<b>59,070</b>	<b>(421,113)</b>	<b>141,658</b>
Transfers between funds	21	47,221	(47,221)	-	-
<b>Net movement in funds</b>		<b>(432,962)</b>	<b>11,849</b>	<b>(421,113)</b>	<b>141,658</b>
<b>Reconciliations of funds:</b>					
Total funds brought forward		2,111,069	18,191	2,129,260	1,987,602
Net movement in funds		(432,962)	11,849	(421,113)	141,658
<b>Total funds carried forward</b>		<b>1,678,107</b>	<b>30,040</b>	<b>1,708,147</b>	<b>2,129,260</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 55 form part of these financial statements.

## Statement of Financial Position as at 31<sup>st</sup> March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	14	29,956	33,556
Investments	15	1,165,984	1,392,474
		<u>1,195,940</u>	<u>1,336,030</u>
<b>Current assets</b>			
Debtors	16	453,045	431,435
Cash at bank and in hand		729,070	1,071,752
		<u>1,182,115</u>	<u>1,503,187</u>
Creditors: amounts falling due within one year	17	(592,908)	(644,957)
Net current assets		1,785,147	2,194,260
Provision for liabilities		(77,000)	(65,000)
Total net assets		<u>1,708,147</u>	<u>2,129,260</u>
<b>Charity funds</b>			
Restricted funds	20	30,040	18,191
Unrestricted funds	20		
Designated funds	20	361,516	369,805
General funds	20	1,316,591	1,741,264
Total unrestricted funds	20	<u>1,678,107</u>	<u>2,111,069</u>
<b>Total funds</b>		<u>1,708,147</u>	<u>2,129,260</u>

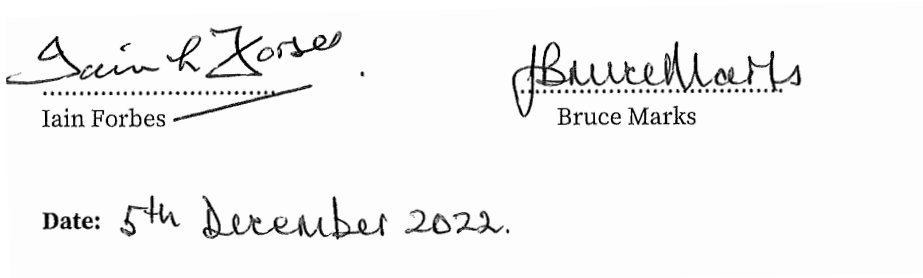
## Statement of Financial Position as at 31<sup>st</sup> March 2022 (continued)

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The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Directors and signed on their behalf by:



*Iain Forbes*  
Iain Forbes

*Bruce Marks*  
Bruce Marks

Date: 5<sup>th</sup> December 2022.

The notes on pages 31 to 55 form part of these financial statements.

## Statement of Cash Flows for the Year Ended 31st March 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash provided by/ (used) in operating activities	23	<u>(540,795)</u>	<u>309,242</u>
<b>Cash flows from investing activities</b>			
Dividends and interests from investments		28,533	26,479
Purchase of tangible fixed assets		(19,285)	(15,738)
Proceeds from sale of investments		292,140	287,575
Purchase of investments		<u>(103,275)</u>	<u>(287,576)</u>
<b>Net cash provided by investing activities</b>		<u>198,113</u>	<u>10,740</u>
<b>Cash flows from financing activities</b>			
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(342,682)</u>	<u>(319,982)</u>
Cash and cash equivalents at the beginning of the year		<u>1,071,752</u>	<u>751,770</u>
Cash and cash equivalents at the end of the year	24	<u>729,070</u>	<u>1,071,752</u>

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 1. General Information

The Charity is a company limited by guarantee, incorporated in the UK and registered in Scotland (Company number: SC207985). Its registered office is Unit 6000, Academy Park, Gower Street, Glasgow, G51 1PR. The members of the Charity are the Directors named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

### 2. Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

The financial statements 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Includem meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

#### 2.2 Going Concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have prepared cash flow forecasts for a period of 16 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the increase in cost of living and the impact of COVID-19 on the operations and its financial resources, the Charity will have sufficient funds to meet its liabilities as they fall due for that period.

## Notes to the Financial Statements for the Year Ended 31st March 2022

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The Charity is dependent on income from contracts it has with Local Authorities and grant givers to ensure its objectives continue to be achieved for the longer term. The accounts have been prepared on the basis that the Charity has the continued support of its funders and sufficient funds in the current and future years.

The Charity has no reason to believe that funding will not continue and that new opportunities will not continue to present themselves.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity, and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit 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.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.



## Notes to the Financial Statements for the Year Ended 31st March 2022

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Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

Service Development expenditure includes expenditure on service development supported by either grants or reserves.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters.

All expenditure is inclusive of irrecoverable VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

## Notes to the Financial Statements for the Year Ended 31st March 2022

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Support costs have been analysed across the Charity's main activities. Governance costs have not been allocated to the cost of raising funds as this is neither significant nor practical to allocate appropriately. The allocation of support costs is analysed in note 10.

### 2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.6 Tangible Fixed Assets and Depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Short-term leasehold property	- Straight line over the period of the lease
Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their opening carrying value. Realised and recognised investment gains and losses are combined in the statement of financial activities.

### 2.8 Debtors

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

### 2.9 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.

### 2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 2.11 Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### 2.12 Financial Instruments

The Charity only has 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.13 Operating Leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.14 Pensions

Employees of the Charity are entitled to join a defined contribution 'money purchase' scheme. The Charity contribution is restricted to the contributions disclosed in note 27. The management costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the Charity.

## Notes to the Financial Statements for the Year Ended 31st March 2022

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The money purchase plan, managed by Legal and General, invests the contributions made by the employee and employer in investment funds designated by the employee to build up over the term of the plan. The pension fund is converted into a pension upon the employee's normal retirement age, defined as when they are eligible for a state pension. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

### 2.15 Fund Accounting

General funds, created from services commissioned by Local Authorities for young people in their responsibility, or other services provided directly to or by third parties, are available for use at the discretion of the Board in developing the quality and scale of its services to young people, and not designated for other specific purposes. They provide the financial security, taking account of the risks and challenges facing the service and ensure continuous service development and efficiency.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes, to further the charitable aims and to develop the services to support those charitable aims. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are grants, donations or legacies received from donors for work not provided under services commissioned by local authorities, unless contractually specified, and applied to meet the donor's objectives. These generally represent a timing difference between the receipt of funds and the provision of the actual service to young people, or staff development as appropriate.

Investment income, gains and losses are allocated to the appropriate fund.

### 3. Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Notes to the Financial Statements for the Year Ended 31st March 2022

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Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. These are detailed below.

### Provisions

Provisions are recognised where the Charity has an obligation, as a result of a past event, that can be measured reliably. The recording of provisions is an area which requires the exercise of management judgement relating to the nature, timing and probability of the liability.

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 4. Income from donations and legacies

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Donations	15,933	15,933	11,599
<i>Total 2021</i>	<i>11,599</i>	<i>11,599</i>	

### 5. Income from charitable activities

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Intensive Support – Services contracts	2,992,451	850,445	3,842,896	4,113,133
Intensive Support – Grant Funding		1,260,218	1,260,218	687,514
<b>Total 2022</b>	<b>2,992,451</b>	<b>2,110,663</b>	<b>5,103,114</b>	<b>4,800,647</b>
<i>Total 2021</i>	<i>3,740,674</i>	<i>1,059,973</i>	<i>4,800,647</i>	

### Analysis of grants received

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
<b>Grants received</b>	-			
Scottish Government	-	1,020,434	1,020,434	391,636
Scottish Local Authorities	-	921,064	921,064	449,669
Barclays Charities Trust	-	47,263	47,263	52,737
Dunlossit & Islay	-	-	-	20,000
The Hunter Foundation	-	-	-	99,673
Esmee Fairbairn	-	-	-	36,258
NHS	-	1,788	1,788	-
CORRA Foundation	-	120,114	120,114	50,000
	-	2,110,663	2,110,663	1,099,973

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 6. Investment income

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Investments	28,264	28,264	24,801
Bank interest received	269	269	1,678
<b>Total 2022</b>	<b>28,533</b>	<b>28,533</b>	<b>26,479</b>
<i>Total 2021</i>	<i>26,479</i>	<i>26,479</i>	

### 7. Other income

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Secondments	15,827	15,827	-
<i>Total 2021</i>	<i>-</i>	<i>-</i>	

### 8. Expenditure on raising funds

#### Costs of raising voluntary income

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Allocated management/staff costs	146,399	72,039	218,438	199,674
<b>Total 2021</b>	<b>162,369</b>	<b>37,305</b>	<b>199,674</b>	



## Notes to the Financial Statements for the Year Ended 31st March 2022

### 9. Analysis of expenditure on charitable activities

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Intensive Support – Service Contracts	3,422,971	-	<b>3,422,971</b>	<i>3,484,834</i>
Intensive Support – Grant Funding	-	268,770	<b>268,770</b>	<i>126,677</i>
Intensive Support – Reserves Funding	-	1,722,633	<b>1,722,633</b>	<i>1,094,254</i>
Direct Support – Donations Funding	-	4,084	<b>4,084</b>	<i>43,311</i>
	<u>3,422,971</u>	<u>1,995,487</u>	<u><b>5,418,458</b></u>	<u><i>4,749,076</i></u>
<i>Total 2021</i>	<i>3,484,734</i>	<i>1,264,242</i>	<i>4,749,076</i>	

### 10. Analysis of expenditure on charitable activities

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Intensive Support – Service Contracts	2,247,951	1,175,020	<b>3,422,971</b>	<i>3,484,834</i>
Intensive Support – Grant Funding	-	268,770	<b>268,770</b>	<i>126,677</i>
Intensive Support – Reserves Funding	1,695,444	27,189	<b>1,722,633</b>	<i>1,094,254</i>
Direct Support – Donations Funding	4,084	-	<b>4,084</b>	<i>43,311</i>
	<u>3,947,479</u>	<u>1,470,979</u>	<u><b>5,418,458</b></u>	<u><i>4,749,076</i></u>
<i>Total 2021</i>	<i>3,484,734</i>	<i>1,264,242</i>	<i>4,749,076</i>	

## Notes to the Financial Statements for the Year Ended 31st March 2022

### Analysis of direct costs

	<b>Intensive Support – Services Contracts 2022 £</b>	<b>Intensive Support – Grant Funding 2022 £</b>	<b>Intensive Support – Reserve Funding 2022 £</b>	<b>Direct Support – Donations Funding 2022 £</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021</b>
Staff costs	1,763,503	-	1,297,680	-	<b>3,061,183</b>	<i>2,666,887</i>
Depreciation	15,309	-	7,576	-	<b>22,885</b>	<i>38,941</i>
Young people expenditure	185,097	-	254,006	4,084	<b>443,187</b>	<i>344,373</i>
Property & office costs	142,510	-	66,149	-	<b>208,659</b>	<i>198,022</i>
Communication & IT costs	137,185	-	67,882	-	<b>205,067</b>	<i>234,681</i>
Regulatory costs	4,347	-	2,151	-	<b>6,498</b>	<i>3,925</i>
	<u>2,247,951</u>	<u>-</u>	<u>1,695,444</u>	<u>4,084</u>	<u><b>3,947,479</b></u>	<u><i>3,486,830</i></u>
<i>Total 2021</i>	<i>2,464,649</i>	<i>-</i>	<i>978,870</i>	<i>43,311</i>	<i>3,486,830</i>	

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 10. Analysis of expenditure on charitable activities (continued)

#### Analysis of support costs

	<b>Intensive Support – Services Contracts 2022 £</b>	<b>Intensive Support – Grant Funding 2022 £</b>	<b>Intensive Support – Reserves Funding 2022 £</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Staff costs	899,799	123,879	27,189	1,050,867	960,589
Service development	31,506	24,446	-	55,952	45,362
Governance costs	243,715	120,445	27,189	1,470,979	1,262,246
	<u>1,175,020</u>	<u>268,770</u>	<u>115,384</u>	<u>1,262,246</u>	
<i>Total 2021</i>	<u>1,020,185</u>	<u>126,677</u>	<u>115,384</u>	<u>1,262,246</u>	

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 11. Auditor's remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to the Charity's auditor for the audit of the Charity's Annual Accounts	<b>10,800</b>	<b>9,582</b>

### 12. Staff costs

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>3,777,098</b>	<b>3,325,951</b>
Social security costs	<b>329,780</b>	<b>300,522</b>
Contribution to defined contribution pension schemes	<b>157,711</b>	<b>140,773</b>
	<b>4,264,588</b>	<b>3,767,246</b>

### 12. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Permanent Staff	<b>123</b>	<b>113</b>
Sessional Staff	<b>30</b>	<b>13</b>
	<b>153</b>	<b>126</b>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70'000	<b>2</b>	<b>2</b>
In the band £90,001 - £100,000	<b>1</b>	<b>1</b>

The key management personnel of the Charity are the Board and the senior management team. The five key managers were paid aggregate remuneration totalling £327,246 (2021: £397,433, six managers).

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 13. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Director expenses have been incurred (2021 - £NIL).

### 14. Tangible fixed assets

	<b>Long-term leasehold property</b>	<b>Fixtures and fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2021	156,418	96,493	332,058	584,969
Additions	2,618	-	16,667	19,285
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 2022	159,036	96,493	348,725	604,254
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2021	150,714	93,068	307,632	551,413
Charge for the year	3,786	2,346	16,753	22,885
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	154,500	95,414	324,385	574,298
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2022	4,536	1,079	24,340	29,956
At 31 March 2021	5,704	3,425	24,426	33,556
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 15. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2021	1,302,474
Additions	103,275
Disposals	(292,141)
Revaluations	52,376
At 31st March 2022	<u>1,165,984</u>

Fixed asset investments are measured at fair value through income and expenditure. The fair value is determined by prices from a recognised stock exchange.

### Historical cost of listed investments

	2022 £	2021 £
Historical cost	<u>1,012,646</u>	<u>1,142,957</u>

### 16. Debtors

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	363,348	333,324
Other debtors	7,235	6,315
Prepayments and accrued incomes	82,462	91,796
	<u>453,045</u>	<u>431,435</u>

## Notes to the Financial Statements for the Year Ended 31st March 2022

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### 17. Creditors: amounts falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	72,923	43,205
Other taxation and social security	81,857	112,542
Accruals and other creditors	195,569	92,555
Deferred income	242,559	396,655
	<u>592,908</u>	<u>644,957</u>

### 18. Provisions

#### Dilapidations provision

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provisions at 1 April 2021	65,000	65,000
Additional provision during the year	12,000	-
<b>Provisions at 31 March 2022</b>	<u>77,000</u>	<u>65,000</u>

The charity makes provision for dilapidations, being the cost of bringing the properties back to the state they receive them. It is expected that the dilapidations provision will be utilised in the next 1-2 years.

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 19. Deferred income

	2022 £	2021 £
Deferred income at 1 April 2021	359,779	34,934
Resources deferred during the year	242,559	359,775
Amounts released from previous periods	(359,779)	(34,934)
<b>Deferred income at 31 March 2022</b>	<b>242,559</b>	<b>359,779</b>

Deferred income relates to funding received under contract during the year which relates to projects that will be delivered in future periods.

### 20. Statement of funds

#### Statement of funds – current year

	Balance at 1 April 2021	Income £	Expenditur e £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Digital Strategy	330,068	-	-	(153,068)	-	177,000
Includem Justice	39,737	-	(47,221)	192,000	-	184,516
	<u>369,805</u>	<u>-</u>	<u>47,221</u>	<u>38,932</u>	<u>-</u>	<u>361,516</u>
<b>General Funds</b>						
General Funds – all funds	1,741,264	3,036,811	(3,522,149)	8,289	52,376	1,316,591
<b>Total Unrestricted funds</b>	<u>2,111,069</u>	<u>3,036,811</u>	<u>(3,569,370)</u>	<u>47,221</u>	<u>52,376</u>	<u>1,678,107</u>



## Notes to the Financial Statements for the Year Ended 31st March 2022

### 20. Statement of funds (continued)

#### Statement of funds – current year (continued)

	Balance at 1 April 2021	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2022 £
<b>Restricted funds</b>						
Young people support	18,191	15,933	(4,084)	-	-	30,040
Core service	-	2,119,663	(2,063,442)	(47,221)	-	-
	18,191	2,126,596	(2,067,526)	(47,221)	-	30,040
<b>Total of Funds</b>	<b>2,129,260</b>	<b>5,163,407</b>	<b>(5,636,896)</b>	<b>-</b>	<b>52,376</b>	<b>1,708,147</b>

#### Statement of funds – prior year

	Balance at 1 April 2020	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Digital Strategy	430,068	-	-	(100,000)	-	330,068
Research & Development	-	-	(60,263)	100,000	-	39,737
Voluntary services support	138,000	-	(138,000)	-	-	-
	568,068	-	(198,263)	-	-	369,805
<b>General Funds</b>						
General Funds – all funds	1,394,631	3,767,153	(3,448,940)	(223,263)	251,683	1,741,264
<b>Total Unrestricted funds</b>	<b>1,962,699</b>	<b>3,767,153</b>	<b>(3,647,203)</b>	<b>(223,263)</b>	<b>251,683</b>	<b>2,111,069</b>

## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March 2022

### 20. Statement of funds (continued)

#### Statement of funds – prior Year (continued)

	<i>Balance at 1 April 2020</i>	<i>Income £</i>	<i>Expenditur e £</i>	<i>Transfer s in/out £</i>	<i>Gains (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
<b>Restricted funds</b>						
<i>Voluntary services</i>	-	63,333	(201,333)	138,000	-	
<i>Service development</i>	-	14,525	(14,525)	-	-	
<i>Young people support</i>	24,903	11,599	(43,311)	25,000	-	18,191
<i>Core service</i>	-	982,115	(1,042,378)	60,263	-	
	<u>24,903</u>	<u>1,071,572</u>	<u>(1,301,547)</u>	<u>222,263</u>	<u>-</u>	<u>18,191</u>
<b>Total of funds</b>	<u>1,987,602</u>	<u>4,838,725</u>	<u>(4,948,750)</u>	<u>-</u>	<u>251,683</u>	<u>2,129,260</u>

## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March 2022

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The aim and use of the designated fund is broken down as follows:

Digital Strategy - In December 2021, following a review, the Board approved the level of reserves required to achieve our plans for the digital transformation and deliver on the approved strategy to £177,000.

Includem Justice Team – The Board agreed in December 2021 to designate £192,000 to continue the delivery of this essential service to strengthen support for young people involved, or at risk of being involved, with the justice system, and divert them from participating in criminal behavior, help them to positively engage within their neighborhood, help improve their wellbeing and resilience and they are respected, responsible and included. This fund is intended to bridge funding expected from the Scottish Government.

The aim and use for each restricted fund is as follows:

Voluntary Services – Includem provides services which are voluntary to young people supported by charitable institutions. These services are transitions which enable young people who have been on the core programme and who no longer meet Local Authority criteria but who includem feel are at risk of relapse or need additional support to achieve stability.

Service Development - Service Development aims to support the service development processes and improve Includem's quality procedures and evidencing of outcomes and maintaining the high standards of learning.

Young People Support – the young person fund is a small non-service fund raised from donations, used to enable young people and families to have experiences they would otherwise not have the opportunity to, which many of us take for granted.

Core services – includem Justice Team is supported by the Scottish Government in connections with the Adapt Project to support young people and divert them from participating in criminal behaviour, help them to positively engage within their neighbourhood, help improve their wellbeing and resilience and they are respected, responsible and included.

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 21. Summary of funds

#### Summary of funds – current year

	Balance at 1 April 2021	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2022 £
Designated funds	369,805	-	(47,221)	38,932	-	361,516
General funds	1,741,264	3,036,811	(3,522,149)	8,289	52,376	1,316,591
Restricted funds	18,191	2,126,596	(2,067,526)	(47,221)	-	30,040
	<u>2,129,260</u>	<u>5,163,407</u>	<u>(5,636,896)</u>	<u>-</u>	<u>52,376</u>	<u>1,708,147</u>

#### Summary of funds – prior year

	Balance at 1 April 2020	Income £	Expenditure £	Transfers in/out £	Gains (Losses) £	Balance at 31 March 2021 £
Designated funds	568,068	-	(198,263)	-	-	369,805
General funds	1,394,631	3,767,153	(3,448,940)	(223,263)	251,683	1,741,264
Restricted funds	24,903	1,071,572	(1,301,547)	223,263	-	18,191
	<u>1,987,602</u>	<u>4,838,725</u>	<u>(4,948,750)</u>	<u>-</u>	<u>251,683</u>	<u>2,129,260</u>

## Notes to the Financial Statements for the Year Ended 31<sup>st</sup> March 2022

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### 22. Analysis of net assets between funds

#### Analysis of net assets between funds – current period

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total Funds 2022 £</b>
Tangible fixed assets	29,956	-	<b>29,956</b>
Fixed asset investments	1,165,984	-	<b>1,165,984</b>
Current assets	1,152,075	30,040	<b>1,182,115</b>
Creditors due within one year	(592,908)	-	<b>(592,908)</b>
Provisions for liabilities and charges	(77,000)	-	<b>(77,000)</b>
<b>Total</b>	<b>1,678,107</b>	<b>30,040</b>	<b>1,708,147</b>

#### Analysis of net assets between funds – prior period

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total Funds 2021 £</i>
<i>Tangible fixed assets</i>	<i>33,556</i>	<i>-</i>	<i>33,556</i>
<i>Fixed asset investments</i>	<i>1,302,474</i>	<i>-</i>	<i>1,302,474</i>
<i>Current assets</i>	<i>1,484,996</i>	<i>18,191</i>	<i>1,503,187</i>
<i>Creditors due within one year</i>	<i>(644,957)</i>	<i>-</i>	<i>(644,957)</i>
<i>Provisions for liabilities and charges</i>	<i>(65,000)</i>	<i>-</i>	<i>(65,000)</i>
<b>Total</b>	<b>2,111,069</b>	<b>18,191</b>	<b>2,129,260</b>

## Notes to the Financial Statements for the Year Ended 31st March 2022

### 23. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	<b>(421,113)</b>	<i>141,658</i>
<b>Adjustments for:</b>		
Depreciation charges	<b>22,885</b>	<i>38,941</i>
(Gain) on investments	<b>(52,376)</b>	<i>(251,683)</i>
Dividends and interest from investments	<b>(28,533)</b>	<i>(26,479)</i>
Increase in provisions	<b>12,000</b>	<i>-</i>
(Increase)/decrease in debtors	<b>(21,610)</b>	<i>50,674</i>
(Decrease)/increase in creditors	<b>(52,048)</b>	<i>356,131</i>
<b>Net cash (used in)/provided by operating activities</b>	<b>(540,795)</b>	<i>309,242</i>

### 24. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<b>729,070</b>	<i>986,752</i>
Notice deposits (less than 3 months)	<b>-</b>	<i>85,000</i>
<b>Total cash and cash equivalents</b>	<b>729,070</b>	<i>1,071,752</i>

### 25. Analysis of changes in net funds

	At 1 April 2022 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	<b>1,071,752</b>	<b>(342,682)</b>	<i>729,070</i>
	<b>1,071,752</b>	<b>(342,682)</b>	<i>729,070</i>

## Notes to the Financial Statements for the Year Ended 31st March 2022

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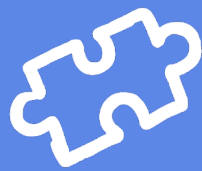
### 26. Pension commitments

The charity contributes to a defined contribution scheme operated by Legal & General. The charity makes contributions of 4.5% of gross salary to the scheme for those who have elected to join with employees contributing a minimum of 3.5%. The charity contributed £157,711 in the year (2021: £140,773).

### 27. Operating lease commitments

At 31st March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Lease periods < 1 year	<b>62,105</b>	<i>84,481</i>
Lease periods 2 to 5 years	<b>-</b>	<i>69,970</i>
	<b>62,105</b>	<i>154,451</i>



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