

COMPANIES HOUSE
30 NOV 2016
EDINBURGH FRONT DESK

INTO WORK
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

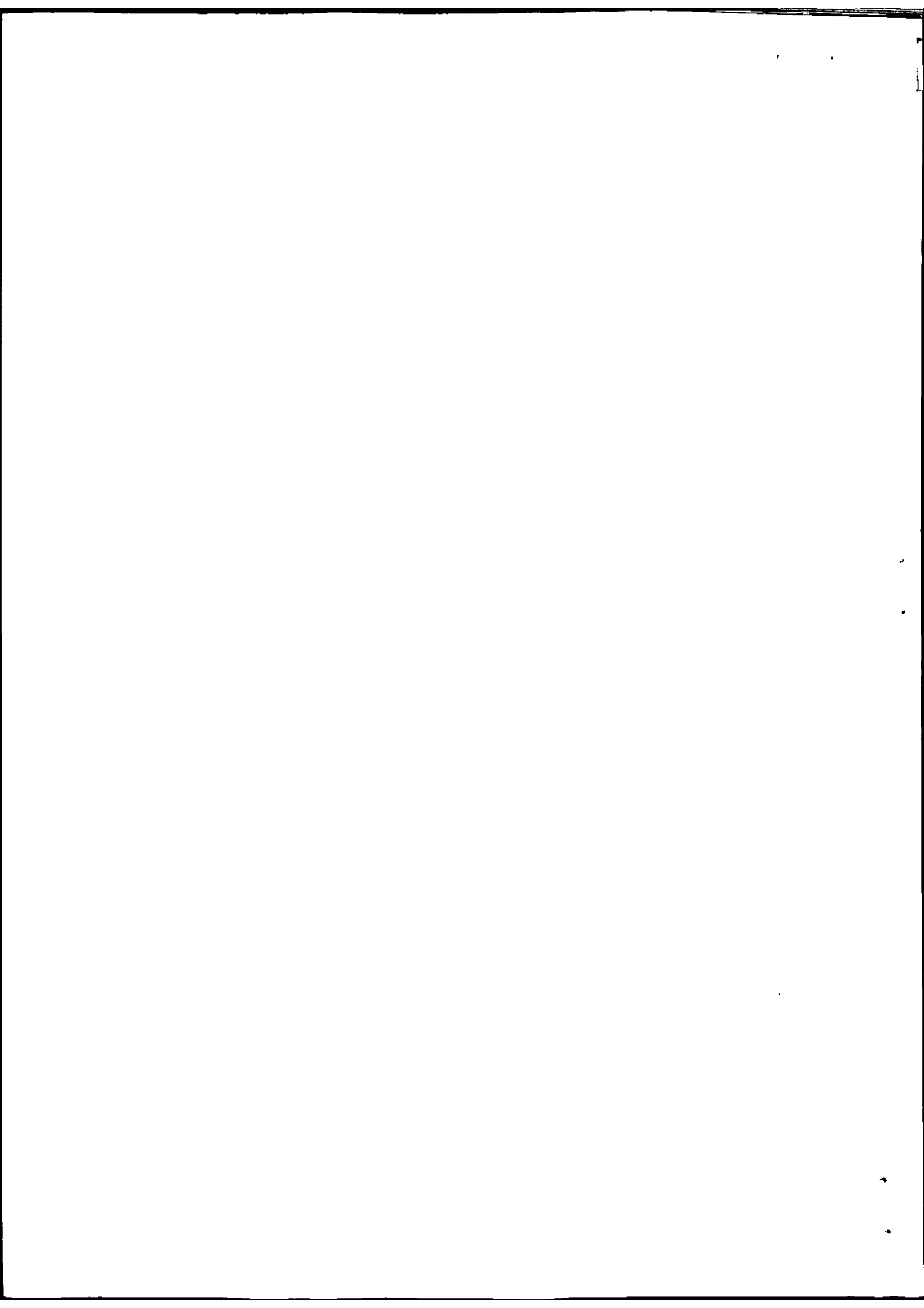
COMPANIES HOUSE
30 NOV 2016
EDINBURGH FRONT DESK

Charity Number: SC028327
Company Registration Number: SC181737

WEDNESDAY



SCT "S5KUBZMJ" #12
30/11/2016
COMPANIES HOUSE



INTO WORK
REPORT AND FINANCIAL STATEMENTS
for the Year Ended 31 March 2016

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INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

The directors are pleased to present their report and financial statements for the year ended 31 March 2016. The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair Person's Report

The 2015-16 financial year saw IntoWork transition into a period of relative stability, where the organisation could plan growing our services and geographical coverage. Annual turnover for 2015-16 period has reached £902,558, representing a 87% increase over the corresponding 2014-15 figure.

Two major funding streams from Edinburgh Council and the Big Lottery launched a 3-4 year growth period which has seen the workforce double and our service extended across Lothian.

Our Project Search initiative expanded to include a second site at NHS Lothian's Western General Hospital running in tandem with the existing Edinburgh Council site. Both sites have been hugely successful and a 100% job outcome is confidently expected for interns completing the programme.

Our commitment to professional staff development continues with a number of new employment advisers undertaking the PDA (Professional Development Award) in Supported Employment.

IntoWork's long standing reliance on European funding is finally reducing and now accounts for only 18% of incoming resources. However, the slow implementation of the Scottish ESF programme has hampered our growth plans as we hoped it would feature more prominently in our Lottery programme as matched funding. At the moment, only East and Midlothian Councils look likely to be involved.

IntoWork's response to the Scottish Government's national employability consultation in September 2015 unambiguously encouraged a focus on disabled jobseekers at greatest risk of labour market exclusion and that the specialist support they need should be delivered by local providers.

In terms of our governance, 2015-16 saw a number of new Trustees take up positions on the Board of Directors. This infusion of new Trustees, drawn from the public and private sector, has increased the range of expertise and knowledge at the organisation's disposal and we look forward to deploying that as we move forward.

In last year's report we alluded to the organisation's exposure to changes in the Lothian Superannuation Scheme and potential cessation cost penalties as the number of employees who are members of the scheme reduced. After much work was undertaken to both understand and identify solutions to this potentially significant problem, we can report that an agreement has been reached with the scheme and the City of Edinburgh Council which negates that threat and allows us to progress without fear of financial penalty.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

In summary, 2015-16 has been a very positive year for IntoWork. Increased funding has led to a period of financial stability where we have enhanced our capability and increased our capacity to deliver bigger and better services across the four local authority areas in which we operate. It has also given us the opportunity to plan for the future rather than fight for survival in the shorter term. The prospect of a wholly Scottish Employability Programme coming on stream in 2018 is both exciting and challenging. We intend being a part of the delivery of that programme and contribute to its development. It is certainly a challenge for all concerned as people in receipt of disability and health related benefits outnumber all other claimant groups put together. If we, as a nation, truly want to address the economic exclusion of people with disabilities and create a fully inclusive work force, then there is still much work to be done.

Objects and Activities

The objects of the Company are the relief of poverty and distress of people in Scotland with a disability, by aiding them to advance into employment, and to pursue any other objects for the benefit of people with disabilities, which are now or hereafter deemed to be charitable in law.

2015-16 was another successful year, in terms of delivering and supporting a range of job and progression to employment outcomes for people with disabilities and people with additional support needs, resident in the City of Edinburgh, Midlothian and East Lothian local authority catchment areas.

The end of the accounting period also saw the organisation setting up a new core service presence (which will come on stream in 2016-17) in the West Lothian local authority catchment area, after a break of nearly three years.

The principal and core aim of the IntoWork charity is to alleviate poverty through 'assisting and supporting people with disabilities into paid and sustained employment'. The way in which it has and continues to address this core aim is through the provision of a range of employment focussed services across the City of Edinburgh, East, Mid and West Lothian local authority areas.

The organisation uses the nationally accepted Five Stage Supported Employment service model as the basis of all its service provision. The model was nationally promoted by the Scottish Government in its 'Framework for Supported Employment' published in 2011. IntoWork was selected by the Scottish Government as a national demonstration site for supported employment, as part of the implementation of that national framework document.

By assisting people with disabilities into employment that is paid, sustained and meets their employment aspirations within a supportive employment environment, we ensure that there are financial, social and developmental benefits for the individual. Our approach is wholly person centred.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Objects and Activities (continued)

Given the scope of services we deliver and the financial support that underpins that delivery, we are acutely aware of providing not only a good service, but one that meets the needs of funders and provides good value for money. To that end, our work across various projects: All in Edinburgh, Project Search, IntoWork Lothian and specific local authority initiatives, are measured and evaluated against our funding and contractual obligations in terms of agreed target outcomes and quality of service. To gather that quantitative and qualitative information we use a range of approaches including software management tools e.g. the Caselink online database and client / customer feedback. Across all this the organisation is committed to a regime of continuous improvement.

Achievements and Performance

The 2015-16 financial year was both challenging and rewarding for IntoWork. The period saw the organisation transition into a period of financial relative stability with new sources of significant funding from the City of Edinburgh Council (via the aforementioned AiE supported employment service contract), and the Big Lottery for the composite IntoWork Lothian initiative, which further builds our service capacity and capability across Edinburgh, East, Mid and West Lothian. These sources of funding are in place through to 31st March 2019 and 31st March 2018 respectively.

The period saw a build-up of staff numbers focussed on service delivery, with the overall staff complement doubling (from a staff complement of fourteen up to twenty-eight) by the end of the financial year. The staff build up commenced in May 2015, integrating new staff into service teams and building their capability and knowledge as the year progressed. We continued our commitment to training staff through acquisition of the Professional Development Award (PDA) in supported Employment.

In this transition to becoming a 'bigger' service, the organisation delivered significantly on the vast majority of its agreed targets and outcomes. We expect that enhanced service delivery capacity and capability to fully embed itself in 2016-17.

IntoWork Lothian

The IntoWork Lothian initiative, funded by the Big Lottery (c£330,000 per annum from 1st April 2015 through to 31st March 2018), is taking an innovative approach to building a composite supported employment service, adding to other sources of public, contract and European funding to enhance capacity, capability and geographical scope across the four unitary local authority areas that make up Lothian.

A delay to the implementation of the 2014-20 Scottish ESF Programme means we now do not anticipate being able to match Lottery monies in Midlothian and East Lothian until well in to 2016-17. Edinburgh and West Lothian councils have made their own arrangements for matching ESF which will preclude us from being directly involved in those programmes. As a consequence of this we have been unable to raise our staffing complement to the extent that the original funding proposal indicated.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

IntoWork Lothian (continued)

This will result in a lower achievement rate than we would have anticipated. However, the additional work being undertaken and good quality outcomes achieved in each of the four local authority areas is valid in its own right, meeting a recognised gap in provision whether it be for a pan disability or disability specific service focus.

IntoWork Lothian	Targets and Achievements are a combination of all Lothian services (excluding Project Search)		
	Target	Achieved	Achievement Rate
• People Supported	450	278	62%
• Progression and Employment Outcomes*	885	660	75%

* Progression and Employment Outcomes – People supported can achieve multiple outcomes including

- developing the self-awareness and self-confidence to apply for jobs
- developing job search skills and realistic expectations of job match
- developing the skills to be able to participate in standard recruitment processes, and
- understanding the financial and welfare benefit implications of taking up employment
- securing a job
- sustaining employment for 6 months
- improved financial circumstances as a result of their employment
- feeling supported to undertake further career development

IntoWork will continue in making this Lothian wide initiative a success as we feel there is much to be learnt from it in terms of the devolved employability service currently under development by the Scottish Government and which will come on stream in April 2018.

All in Edinburgh (AiE)

Once recruitment for the new service had been undertaken and delivery teams were up to full complement, we performed very well in terms of our contribution to the consortium's overall performance in Contract Year 1. We achieved 82% of our agreed Employment and In Work Progression Outcomes. Indeed, we were the top performing partner in an inaugural year that the City of Edinburgh Council were very pleased with.

Midlothian Council

Midlothian Council have been a long term supporter of IntoWork. The Council currently funds employment support activity and Welfare Rights Advice.

We also support clients at IKEA to undertake the SQA accredited 'Get Ready for Retail' course. In terms of delivering Welfare Rights advice, we worked with 40 people and helped clients take up an additional £88,594 of eligible disability and in work benefits (118% of target). All other targets were met or exceeded.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

East Lothian

Like its Midlothian counterpart, East Lothian Council has been a long term funder of IntoWork. The Council funds employment support activity and Welfare Rights Advice. IntoWork service delivery staff are based within the East Lothian Works facility in Haddington.

One member of staff works with the Disability Youth Transitions Team, supporting young people with disabilities from school to college or work. The other works with the Adult Supported Employment Team, assisting people into work placements, employment and providing in work support.

The Welfare Rights Advice component of our work in East Lothian was very successful, working with 122 people helping those clients take up an additional £259,881 of eligible disability and in work benefits (347% of target). All other targets were met or exceeded.

West Lothian

As in past years, IntoWork is no longer funded by West Lothian Council. Our return to working in the area is funded by the Big Lottery, as a geographically focussed element within the IntoWork Lothian initiative. As the 2015-16 financial year drew to a close, a member of staff had been recruited to deliver the service based in Livingston, and was building up a caseload of clients with a view to delivering progression to employment and employment outcomes into the 2016-17 financial year.

The Scottish Autism Fund

We have been working with support from the Scottish Autism Fund since October 2015, in partnership with Autism Initiatives. This builds on the 2012-15 award and has assisted us to work with a further six clients through to end of March 2016. All targets were met in terms of the deployment of this funding.

Project Search

Funded by grant from the City of Edinburgh Council and in partnership with NHS Lothian and Edinburgh College, Project Search entered its second operational year in this accounting period. During this period, we opened up a new Project Search site at NHS Lothian's Western General Hospital in Edinburgh and widened the scope by opening up a further twelve internship opportunities for young people across the spectrum of disability (in Year 1 the internship focus had been on opportunities for people with an Autistic Spectrum Disorder (ASD)).

The new site has been a great success and we anticipate a 100% success rate in interns moving onto paid employment within the NHS. The original site (City of Edinburgh Council) has been more difficult in terms of access to longer term employment opportunities, but those participants who don't achieve an employment outcome have access to the AiE supported employment service with a view to assisting them to take employment in the wider city labour market.

Summary

Given the complexity and sheer breadth of supported employment activity IntoWork has undertaken, allied to the rigour of servicing the various funding and reporting platforms that this entails, it has been a demanding but exciting year.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Summary (continued)

The work we do is crucial and often difficult in terms of the complexity of people's situation as they try to progress towards, take up and sustain employment. We also have to take into account the needs of employers as we strive to engineer the best possible match between jobseeker, job and employer. However, what we do seems to work and we want to expand that in future years.

Financial Review

The accounts show net income of £118,046 in the year (2015: a net outgoing of 91,144) before adjusting for the actuarial loss/gain on the pension scheme, as detailed in the Statement of Financial Activities (SOFA) on page 13. This comprises a net increase of £360,279 in unrestricted funds and a net increase of £55,767 in restricted funds. There is further adjustment for an actuarial loss/gain on the pension scheme of £298,000, computed in accordance with FRS102, which results in an overall increase in funds of £416,046 for the year (2015: a reduction of £109,144). At the balance sheet date the unrestricted reserves were a surplus of £341,152 (2015: £19,127 deficit), with £67,972 (2015: £12,205) in restricted funds.

Including the Pension asset of £167,000 (2015: liability of £97,000), the charity had a net surplus of funds of £409,124 (2015: £6,922 deficit) as at the year end. However, it should be noted that the pension liability is a long-term commitment that is being addressed by the Lothian Pension Fund in its long term strategy. Although it is likely to remain in deficit for several years, it is not expected to crystallise in the foreseeable future and, accordingly, the directors have continued to adopt the going concern basis in preparing the financial statements.

Principle Funding Sources

The principal funding source for the charity was by way of grants and service level agreements. The largest funders were The City of Edinburgh Council, The Big Lottery Fund, Midlothian Council, East Lothian Council and the Scottish Government. Further detail is available in the Notes to the Annual Accounts. The directors are grateful to all the charity's funders, whether big or small, named or anonymous, for their generosity and support.

Reserves Policy

The directors have a policy of maintaining reserves to protect against unforeseen fluctuations in income. Previously a designated reserve fund was maintained in the charity's unrestricted funds which would contribute to the company meeting its statutory obligations and pension liabilities in the event of a redundancy situation, or enable it to continue its provision of services, if any sources of income were to cease or be delayed significantly in their payment.

The directors consider that it is prudent for them to aim to hold between three and six month's expenditure by way of reserve for these purposes, and will put in place a proactive reserves expansion plan which utilise performance-related funds, fund-raising income and an element of all unrestricted fund income. This plan will have a target to add at least one month's salary and associated costs to reserves every two years over the next six financial years.

At 31 March 2016 the free reserves of the charity, comprising the total of the reserve fund and the general fund (and excluding the pension scheme deficit), amounted to £90,692 (2015: £73,775). This is equivalent to about 1.4 months' expenditure at current levels, which is some way below the minimum target level outlined above.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Risk Assessment

The principle risks and uncertainties faced by the charity in the period 2016-20 are –

- Devolved responsibility for employability support and welfare benefits to the Scottish Government from 2016 onwards, will instigate a major change in the nature and coverage of employability provision and the way this is commissioned across Scotland. Given its current size, financial and geographical scope, IntoWork is not in a position to be a lead bidder for this contracted work.
- The aforementioned commissioning process will require IntoWork to position itself within bidding consortia. In effect IntoWork will no longer be in control of making key funding applications and its success in acquiring funding will be largely dependent on who it chooses to enter into partnership with, and how good that lead partner is at making successful funding bids.
- The recent UK referendum on EU membership will ultimately bring to an end access to financial support from European Structural Funds. Although IntoWork is no longer as dependent as it once was on European funding, there is currently no indication as to what Scottish or UK government funding will be in place to replace this still important source of revenue which supports and underpins our core service delivery activities
- The ongoing reduction in local authority funding will become more pronounced from 2016 onwards. Consequently, IntoWork may see a reduction in local authority financial support as those authorities reduce grant and contract funding or withdraw that funding completely i.e. a retrenchment to 'Statutory Responsibility' on the part of some authorities in terms of what they fund

To address and circumvent these risks, the organisation is actively raising its profile and publicising achievements across a variety of audiences, including national and local government, and actively positioning itself for future service commissioning developments, particularly the Scottish Employability Programme which will commence in 2018. The organisation is also seeking commercial sponsorship and is actively engaging with a range of private companies with a view to building financial support through longer term sponsorship and practical support.

Plans For Future Periods

The charity will continue to provide support to assist people with disabilities and people with long term health issues and or additional support needs into paid and sustained employment. Given our current stable position in terms of funding through to the end of the 2017-18 financial year, via local authority, Big Lottery and European Social Fund derived financial support, the organisation is now planning for the period that lies beyond.

There is previous mention in the text of these accounts of the significant changes that devolved responsibility for employability to the Scottish Government will bring. The organisation is now actively planning and positioning itself to successfully traverse these changes. We are engaging with Scottish Government and our local authority and current and potential service delivery partners with a view to being successfully involved in the delivery of the new Scottish Employability Programme which will succeed all current UK / Scottish Government funded provision from 1st April 2018 onwards. Our core concern is that the commissioning process is fair, open and supportive of the involvement of smaller specialist providers at a level which makes it financially viable to do so.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Plans for Future Periods

Directors and management see this new national service as an opportunity to grow our service provision and enter into service delivery activity in other geographical areas across Scotland. If this planning and engagement is successful, it will not only secure the organisation's medium to longer term future but allow us to bring our high quality, high performing service model to a much wider range of disabled people – ultimately assisting (in line with our core organisational aims and objectives) more people with disabilities into paid and sustained employment.

Directors are clear that in the developing environment, the organisation must become bigger to survive and thrive, but are also acutely aware of the dangers of too rapid an expansion. Consequently, our intended expansion will be incremental, building on our core strengths and avoiding any geographical expansion that stretches the financial / human resources and logistical capacity of the organisation too thinly.

Structure, Governance and Management

Constitution

Into Work was incorporated on 23 December 1997. The company is a charitable company limited by guarantee with no share capital. The company's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. The company is recognised as a Scottish charity.

Membership

Membership of the company is open to any individual or organisation with an interest in disability and employment and whose application to membership in accordance with the charity's Memorandum and Articles of Association is successful. The liability of each Member in the event of winding-up is limited to £5.

Directors, Recruitment and Appointment of New Directors

The Board of Directors is responsible for the management of the charity and the safeguarding of its assets. Directors are recruited to the Board with a view to cultivating a mix of skills and experiences across a broad range of relevant disciplines.

At each AGM, one third of the appointed directors retire and are eligible for re-appointment. The board may also co-opt additional directors to serve until the next AGM, following which they may be re-appointed.

Induction and Training of new Directors

New Directors are often already familiar with the practical work of IntoWork. New directors are provided with an induction pack and are offered training on the roles and responsibilities of Board Members, run by a number of voluntary sector providers. Refresher and other training opportunities are also offered.

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Structure, Governance and Management (continued)

Organisational Structure

The board meets quarterly to direct the business of the charity, has set up an HR sub-committee and a Finance & Audit sub-committee each comprising of 3 Trustees and a manager from the Senior Management Team. Induction and training are given as required. Responsibility for routine operational matters is delegated to the Senior Management Team.

Policies and Procedures

Into Work appoints professional contractors to provide employment law advice and insurance cover. Policies and procedures are reviewed on a rolling basis.

Health and Safety

At each AGM a named director is appointed to take overall responsibility for Health and Safety. A named Health and Safety officer ensured that changes to Health and Safety law are reflected in company policies and monitors activity at IntoWork projects/sites to ensure that they are implemented.

Standards

IntoWork has held the Investors in People standard since January 2000. It was assessed and re-recognised in January 2015.

IntoWork's 'Positive about Disability (Two Tick)' standard was reviewed and re-recognised in August 2014. The standard is concerned with promoting equal opportunities for people with disabilities, in recruitment, development and working practices.

Remuneration Policy & Payments to Senior Management

The Directors consider the Senior Management Team to be the key management personnel of the charity, and have planned a review of the pay of the senior staff for 2016.

INTO WORK
REPORT OF THE DIRECTORS
for the Year Ended 31 March 2016

Reference and Administrative Information

Charity Name	Into Work	
Charity Registration Number	SC028327	
Company Registration Number	SC181737	
Directors	Brian Drinkwater	(Chair)
	Norma Whannell	(Vice-chair)
	Valarie Bell	
	Erica Cairney	
	Iris McMillan	
	Michael Prentice	(appointed 30 April 2015)
	Andrew Smith	
	Wallace Taylor	(resigned 30 September 2015)
	Rachael Crofts	(appointed 27 January 2016)
	Elizabeth Humphreys	(appointed 25 November 2015)
	Kazimir Lyon	(appointed 25 May 2016)
Company Secretary	Gordon Cooper	
Key Management Personnel	Strategic Development Manager	Peter Purves
	Business & Finance Manager	Gordon Cooper
	Client Services Manager	David Bain
Principal Office and Registered Office	Norton Park 57 Albion Road Edinburgh, EH7 5QY	
Senior Statutory Auditor	Kevin Cattanach	
Independent Auditors	Whitelaw Wells Statutory Auditor 9 Ainslie Place Edinburgh, EH3 6AT	
Bankers	Bank of Scotland 6 Picardy Place Edinburgh EH1 3JT	

INTO WORK

REPORT OF THE DIRECTORS

for the Year Ended 31 March 2016

Statement Of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with the 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 that give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure Of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by and authorised for issue by the board of directors on 28 September 2016 and signed on their behalf by:-



.....
Brian Drinkwater
Director

INTO WORK

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

for the Year Ended 31 March 2016

We have audited the financial statements of Into Work for the year ended 31 March 2016 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

This report is made exclusively to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INTO WORK

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

for the Year Ended 31 March 2016

Opinion on Accounts

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 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Annual Report.



Kevin Cattanach

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh EH3 6AT

28 September 2016

INTO WORK

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure Account)
for the Year Ended 31 March 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<u>Income and endowments from:</u>					
<i>Donations</i>	2	2,944	6,000	8,944	12,032
<i>Charitable activities</i>					
Grants and service level agreements	3	373,949	516,606	890,555	462,289
Consultancy income	3	2,629	-	2,629	6,862
<i>Investment income</i>		430	-	430	594
		-----	-----	-----	-----
Total		379,952	522,606	902,558	481,777
		-----	-----	-----	-----
<u>Expenditure on:</u>					
<i>Raising funds</i>		7,460	-	7,460	6,988
<i>Charitable activities</i>		310,213	466,839	777,052	565,933
		-----	-----	-----	-----
Total	4	317,673	466,839	784,512	572,921
		-----	-----	-----	-----
Net income/(expenditure) before transfers		62,279	55,767	118,046	(91,144)
Transfers between funds	11	-	-	-	-
		-----	-----	-----	-----
Net income/(expenditure) before other recognised gains and losses		62,279	55,767	118,046	(91,144)
Other recognised gains/(losses)					
Actuarial (loss) on defined benefit pension scheme	13	298,000	-	298,000	(18,000)
		-----	-----	-----	-----
Net movement in funds		360,279	55,767	416,046	(109,144)
Funds brought forward		(19,127)	12,205	(6,922)	102,222
		-----	-----	-----	-----
Funds carried forward	11	341,152	67,972	409,124	(6,922)
		=====	=====	=====	=====

The results for the year derive from continuing activities. The company has no recognised gains or losses other than those included in the Statement of Financial Activities above. The notes on pages 18 to 31 form part of these financial statements.

INTO WORK
BALANCE SHEET
AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	7		380		931
CURRENT ASSETS					
Debtors	8	129,059		72,400	
Cash at bank and on hand		185,311		94,625	
		314,370		167,025	
CREDITORS: amounts falling due within one year	9	(72,626)		(77,878)	
NET CURRENT ASSETS			241,744		89,147
NET ASSETS EXCLUDING PENSION ASSET / (DEFICIT)			242,124		90,078
Pension asset / (deficit)	13	167,000		(97,000)	
NET ASSETS/(LIABILITIES)	12		409,124		(6,922)
FUNDS					
UNRESTRICTED FUNDS					
Unrestricted general fund	11	90,692		73,775	
Designated funds	11	83,460		4,098	
Pension reserve	11	167,000		(97,000)	
RESTRICTED FUNDS	11	67,972		12,205	
			409,124		(6,922)

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the directors on 28 September 2016 and signed on their behalf by:



Brian Drinkwater
Director

Company Registration No: SC181737

The notes on pages 18 to 31 form part of these financial statements.

INTO WORK
CASH FLOW STATEMENT
AT 31 MARCH 2016

	2016	2015
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	90,831	(31,274)
	<hr/>	<hr/>
Cash flows from investing activities:		
<i>Interest</i>	430	594
<i>Purchase of property, plant and equipment</i>	(575)	-
	<hr/>	<hr/>
Net cash provided by investing activities	(145)	594
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	90,686	(30,680)
Cash and cash equivalents at the beginning of the year	94,625	125,305
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	185,311	94,625
	<hr/>	<hr/>
RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year (as per the Statement of Financial Activities)	416,046	(109,144)
Adjustments for:		
Depreciation charge	1,126	1,275
Interest from investments	(430)	(594)
(Increase)/decrease in debtors	(56,659)	98,508
(Decrease) in creditors	(5,252)	(58,319)
(Decrease)/increase in pension provision	(264,000)	37,000
	<hr/>	<hr/>
Net cash provided by operating activities	90,831	(31,274)
	<hr/>	<hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Instant access bank deposits	185,311	94,625
	<hr/>	<hr/>
Total cash and cash equivalents	185,311	94,625
	<hr/>	<hr/>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Into Work Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Directors consider there are no material uncertainties about the ability of the Charity to continue as a going concern for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Directors have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 a restatement of comparative items was needed. A restatement was required in relation to the allocation of costs in the Statement of financial activities in relation to the accounting for the defined benefit pension scheme but the where no reconciling items.

Income Recognition

Donations including grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant must only be used in future accounting periods, or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from investments, namely bank interest, is included in the year in which it is receivable.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performances conditions is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

1. Accounting Policies (continued)

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

- Costs of raising funds comprise the costs associated with attracting donations.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's programmes and activities. These costs include the expenses of Trustee meetings, the statutory audit and legal and professional fees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.
- Grants payable are recognised when the beneficiary earns the right to consideration by its performance.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost with assets costing in excess of £500 capitalised.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:-

Office equipment	20%-33% on cost
Computer equipment	33% on cost

Operating Leasing

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pension costs

The Charity operates a Defined Contributions Pension Scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the Scheme.

Qualifying staff are members of the Lothian Pension Fund, a multi-employer defined benefit scheme. This Scheme is now closed to new members. Deficits under the scheme are recognised in the accounts in accordance with the requirements of Financial Reporting Standard 102, based on the company's share of the scheme assets and liabilities, as reported by the scheme actuary. The scheme assets are valued at market value. In accordance with FRS 102 "retirement benefits" the company's share of a scheme deficit is recognised in full on the balance sheet and its share of a surplus is recognised to the extent that the surplus can be recovered.

Taxation

As a recognised charitable body, the company is exempt from corporation tax on its charitable activity.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

1. Accounting Policies (continued)

Fund Accounting

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity.
- The Pension reserve represents the difference between the market value of the pension scheme assets and the present value of the scheme liabilities, as determined by the actuarial valuation.
- Designated funds are unrestricted funds earmarked by the directors for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2. Income from Donations

	2016	2016	2016	2015
	Unrestricted	Restricted		
	£	£	£	£
Midlothian Council (allocation to core funds)	-	6,000	6,000	11,400
Other donations	2,944	-	2,944	632
	<u>2,944</u>	<u>6,000</u>	<u>8,944</u>	<u>12,032</u>

Income from donations was £8,944 (2015: £12,032) of which £2,944 (2015: £12,032) was unrestricted and £6,000 (2015: £nil) was restricted.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

3. Income from Charitable Activities (grants)

	2016	2016	2016	2015
	Unrestricted	Restricted	£	£
	£	£	£	£
Supported Employment Services:				
<i>All in Edinburgh (SLA)</i>	357,652	-	357,652	-
High Support Needs:				
ESF – High Support Needs Priority 5	-	-	-	137,446
ESF – release of advance funding on completion of project	16,297	-	16,297	-
City of Edinburgh Council – Improving Employability	-	-	-	100,000
Moving into Work:				
Midlothian Council – Fairer Scotland Fund	-	33,727	33,727	33,727
East Lothian Council – Core & Fairer Scotland Fund	-	41,000	41,000	41,000
Scottish Government – Autism Development Fund	-	19,600	19,600	44,984
City of Edinburgh Council – Edinburgh Guarantee	-	-	-	60,000
City of Edinburgh Council – Project Search	-	99,000	99,000	35,000
Scottish Government – Project Search	-	10,694	10,694	10,132
Big Lottery Fund Grant – Into Work Lothian	-	312,585	312,585	-
	-----	-----	-----	-----
Total Supported Employment Service	373,949	516,606	890,555	462,289
	-----	-----	-----	-----
Other Projects & Services				
BT Scotland – digital inclusion programme	-	-	-	5,000
Consultancy	2,629	-	2,629	1,862
	-----	-----	-----	-----
	2,629	-	2,629	6,862
	-----	-----	-----	-----
Total income from charitable activities	376,578	516,606	893,184	469,151
	=====	=====	=====	=====

Income from charitable activities was £893,184 (2015: £469,151) of which £376,578 (2015: £101,862) was unrestricted and £516,606 (2015: £367,289) was restricted.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

4. Expenditure

	Fundraising Costs £	All in Edinburgh £	Moving Into work £	Total 2016 £	Total 2015 £
Direct operating costs:					
Staff travel, training & events	-	4,286	7,811	12,097	7,287
Beneficiary expenses & events	-	248	96	344	2,128
Subscriptions and publications	-	995	1,140	2,135	1,636
Support costs:					
Staff costs (see below)	6,902	238,129	445,258	690,289	499,704
Premises costs	-	15,593	12,794	28,387	25,340
IT & website costs	-	4,301	4,739	9,040	6,176
Office administration costs	-	9,625	8,779	18,404	14,653
Other costs & professional fees	558	2,082	6,913	9,553	7,552
Depreciation	-	-	1,126	1,126	1,275
Irrecoverable VAT	-	-	6,082	6,082	-
Interest expenses	-	-	4,000	4,000	3,000
Governance costs:					
Audit & accountancy fees	-	2,420	635	3,055	4,170
Total	7,460	277,679	499,373	784,512	572,921

Overheads and support costs are allocated on the basis of staff time

Expenditure was £784,512 (2015: £572,921) of which £317,673 (2015: £178,953) was unrestricted and £466,839 (2015: £393,968) was restricted.

	2016 £	2015 £
Staff salaries	543,392	356,550
Social Security costs	44,178	26,872
Pension costs – normal contributions	57,489	48,785
Pension cost – additional contributions	-	36,978
Pension costs – FRS 102 adjustment	30,000	16,000
External consultants	15,230	14,519
Total	690,289	499,704

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

4. Expenditure (cont)

The average monthly number of employees during the year was:-

	No.	No.
Management staff	3	3
Project staff	19	9
Administrative staff	2	2
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>
Total	24	14
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>

No emoluments were paid to directors and no expenses were reimbursed in the current or previous periods.

The charity considers its key management personnel comprise the Strategic Development Manager, Business & Finance Manager and the Client Services Manager. The total employment benefits including employer pension contributions of the key management personal was £128,001 (2015: £122,003). No employee had emoluments of more than £60,000 during either the current or previous year.

5. Summary analysis of expenditure and related income for activities

This table shows the cost of the main activities and the sources of income that support those activities.

	Fundraising Costs £	All in Edinburgh £	Moving into work £	Total 2016 £	Total 2015 £
Costs	(7,460)	(277,679)	(499,373)	(784,512)	(572,921)
Donation	2,944	-	6,000	8,944	12,032
Grants and service level agreements	-	357,652	532,903	890,555	462,289
Consultancy	-	-	2,629	2,629	6,862
Investment income	430	-	-	430	594
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>
	(4,086)	79,973	42,159	118,046	(91,144)
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

6. Net income/(expenditure) for the year

	2016	2015
	£	£
This is stated after charging:		
Depreciation	1,126	1,275
Auditors' remuneration – audit fee	3,055	4,170
Auditors' remuneration – non audit work	925	-
Operating lease	19,610	23,182
	<u> </u>	<u> </u>

7. Tangible Fixed Assets

	Office Equipment	Computer Equipment	Total
	£	£	£
Cost			
At 1 April 2015	9,231	24,713	33,944
Additions	-	575	575
Disposals	(769)	(4,585)	(5,354)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	8,462	20,703	29,165
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 2015	9,231	23,782	33,013
Charge for year	-	1,126	1,126
Eliminated on disposals	(769)	(4,585)	(5,354)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2015	8,462	20,323	28,785
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 2016	-	380	380
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2015	-	931	931
	<u> </u>	<u> </u>	<u> </u>

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

8.	Debtors	2016	2015
		£	£
	Grants receivable	123,417	64,484
	Prepayments	-	2,274
	Other debtors	5,642	5,642
		<hr/>	<hr/>
		129,059	72,400
		<hr/> <hr/>	<hr/> <hr/>

9.	Creditors: Amounts falling due within one year:	2016	2015
		£	£
	Deferred income – note (a) below	7,000	-
	Advance funding – note (b) below	-	52,297
	Other Taxation and Social Security	12,176	7,451
	Pension contributions	7,847	7,648
	Accruals	13,858	10,482
	VAT	31,745	-
		<hr/>	<hr/>
		72,626	77,878
		<hr/> <hr/>	<hr/> <hr/>

	(a) Deferred income	2016	2015
		£	£
	Balance at 31 March 2015	-	35,000
	Released to Statement of Financial Activities	-	(35,000)
	Amounts received and deferred during the year	7,000	-
		<hr/>	<hr/>
		7,000	-
		<hr/> <hr/>	<hr/> <hr/>

	(b) Advance funding:	2016	2015
		£	£
	CEC: Advance funding for ESF claims	-	52,297
		<hr/>	<hr/>

Advance funding has been received for cash flow purposes against claims submitted for ESF projects which are paid in arrears.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

10. Commitments under Operating Leases

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as set out below:-

	2016	2016	2015	2015
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	22,538	-	19,318	715
One to two years	14,805	-	19,318	-
Two to five years	34,052	-	44,416	-
Greater than five years	-	-	4,442	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11. Movement on Funds

	At 1 April 2015	Income	Expenditure	Actuarial gain	Transfers	At 31 March 2016
Note	£	£	£	£	£	£
Restricted funds:						
Midlothian (FSF)	1	-	39,727	(39,428)	-	299
East Lothian (FSF)	2	-	41,000	(40,899)	-	101
Autism Project	3	-	19,600	(19,034)	-	566
CEC – Project Search	4	11,132	109,694	(85,102)	-	35,724
BLF – Into Work Lothian	5	-	312,585	(282,376)	-	30,209
Digital Inclusion Project	6	1,073	-	-	-	1,073
		<u>12,205</u>	<u>522,606</u>	<u>(466,839)</u>	<u>-</u>	<u>67,972</u>
Total restricted funds						
Unrestricted funds:						
Designated funds:						
Development fund	7	3,167	-	(60)	-	3,107
CEC – All in Edinburgh	8	-	357,652	(277,679)	-	79,973
Fixed asset fund	9	931	-	(1,126)	575	380
		<u>4,098</u>	<u>357,652</u>	<u>(278,865)</u>	<u>575</u>	<u>83,460</u>
Total designated						
Pension deficit fund	10	(97,000)	-	(34,000)	298,000	- 167,000
General fund		73,775	22,300	(4,808)	(575)	90,692
		<u>(19,127)</u>	<u>379,952</u>	<u>(317,673)</u>	<u>298,000</u>	<u>- 341,152</u>
Total unrestricted						
Total Funds (including pension deficit)						
		<u>(6,922)</u>	<u>902,558</u>	<u>(784,512)</u>	<u>298,000</u>	<u>- 409,124</u>
		<u>26</u>				

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

11. Movement on Funds (continued)

Notes on funds:

1. The "IntoWork Midlothian" project is funded by Midlothian Council through their Standard Grants Fund to support disabled job seekers into employment, FE training, placement, volunteering or employment focused training. The funding also supports a part-time Welfare Rights service for disabled people in Midlothian provided in partnership with Family Advice and Information Resource (FAIR).
2. The "IntoWork East Lothian" project is funded by East Lothian Council's Partnership Grant Fund to support disabled job seekers into employment, FE training, placement, volunteering or employment focused training. This service is delivered in partnership with East Lothian Council's employability service – East Lothian Works (also a funding contributor) – with an IntoWork member of staff permanently seconded to their office in Haddington. The funding also supports a part-time Welfare Rights service for disabled people in Midlothian provided in partnership with Family Advice and Information Resource (FAIR).
3. The Autism Fund project, funded by the Scottish Government, complimented the Edinburgh ESF project, providing a higher level of support to people with autism further removed from the employability stage.
4. Project Search is funded by Edinburgh Council and provides a supported internship programme for young people aged 16-24 based at the Council's headquarters in Waverley Court. The programme is a partnership between the host employer (Edinburgh Council), a training provider (Edinburgh College) and a supported employment agency (IntoWork). The funding pays for IntoWork's job coaching element of the programme.
5. Intowork Lothian is funded by Big Lottery Fund Grant and will continue and expand existing supported employment services across Edinburgh and the Lothians for people with disabilities including autism, Asperger syndrome, acquired brain injury, mental ill health, learning and physical disability, including sensory impariments.
6. The Digital Inclusion project continued for a fourth year, funded by BT Scotland. By means of an IT learning suite set up in 2011, specific disability groups, through active engagement with digital technology, are able to gain a BCS qualification.
7. The development fund has been set aside to cover unfunded office equipment and refurbishment, training and development costs.
8. The All in Edinburgh project is funded by City of Edinburgh Council via Capital City Partnership's Improving Employability Challenge Fund to provide a specialist employment service to disabled young people aged 16-30. The project builds on and expands the coverage of the existing Edinburgh Guarantee offer, creating additional employment opportunities for those young people using the five stage supported employment model.
9. The fixed asset fund corresponds to the net book value of fixed assets. Annual depreciation is charged to the fund and the cost of fixed assets purchased is transferred in to it.
10. The pension deficit fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 13 to the accounts).

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

12. Analysis of Net Assets Between Funds

	General Fund £	Pension Surplus £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	-	380	-	380
Net current assets	90,692	-	83,080	67,972	241,744
Pension Scheme surpl	-	167,000	-	-	167,000
Total Net Assets	90,692	167,000	83,460	67,972	409,124

13. Pension and Other Post-Retirement Benefit Commitments

Defined Contribution Pension Scheme

The Company participates in a defined contribution pension scheme run by NEST. The Charity's contribution to this scheme is 7.5% of participants' salaries which is charged to the Statement of Financial Activities in the year to which the payments relate. This scheme is open to all qualifying employees.

Defined contribution	2016	2015
	£	£
Contributions payable by the company for the year	9,615	6,124
Amounts outstanding at the year end	2,058	671

Final Salary Pension Scheme

The company is a participating employer in the Lothian Pension Fund ("The Scheme") that provides benefits based on final pensionable pay (i.e. defined benefit scheme). The assets of the Scheme are held separately from those of the company. Contributions are charged to the Income and Expenditure account so as to spread the cost of pensions over the employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

An actuarial valuation was carried out at 31 March 2016 by a qualified independent actuary for FRS 102 purposes.

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

13. Pension and Other Post-Retirement Benefit Commitments (cont)

The major assumptions used by the actuary were:

	31 March 2016	31 March 2015
	% per annum	% per annum
Pension Increase Rate	2.2	2.4
Salary Increases Rate	4.2	4.3
Discount Rate	3.5	3.2

The employer's share of the assets in the scheme and the expected rate of return were:

	Long Term Return at 31/03/16 (%p.a)	Value at 31/03/16 £(000)	Long Term Return at 31/03/15 (%p.a)	Value at 31/03/15 £(000)
Equities	4.9	1,665	3.2	1,614
Bonds	4.9	497	3.2	398
Property	4.9	224	3.2	187
Cash	4.9	99	3.2	140
Total market value of assets	4.9	2,485	3.2	2,339
Present value of scheme liabilities		(2,318)		(2,436)
Surplus/(Deficit) in the scheme		167		(97)

The most recent valuation showed that the market value of the scheme's assets was £ 2,485,000 (2015: £2,339,000) and that the actuarial value of these assets represented 107% (2015: 96%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the charity are 35.9% from 1 April 2015 and employee contributions vary depending on individual employees' salary rates.

Analysis of the amount charged to the income and expenditure account:

	2016	2015
	£	£
Current service cost	80,000	65,000
	80,000	65,000

INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

13. Pension and Other Post-Retirement Benefit Commitments (cont)

Analysis of amount charged to the income and expenditure account as interest:

	2016 £	2015 £
Interest income on pension scheme assets	75,000	95,000
Interest on pension scheme liabilities	(79,000)	(98,000)
	<hr/>	<hr/>
Net interest charge	(4,000)	(3,000)
	<hr/>	<hr/>

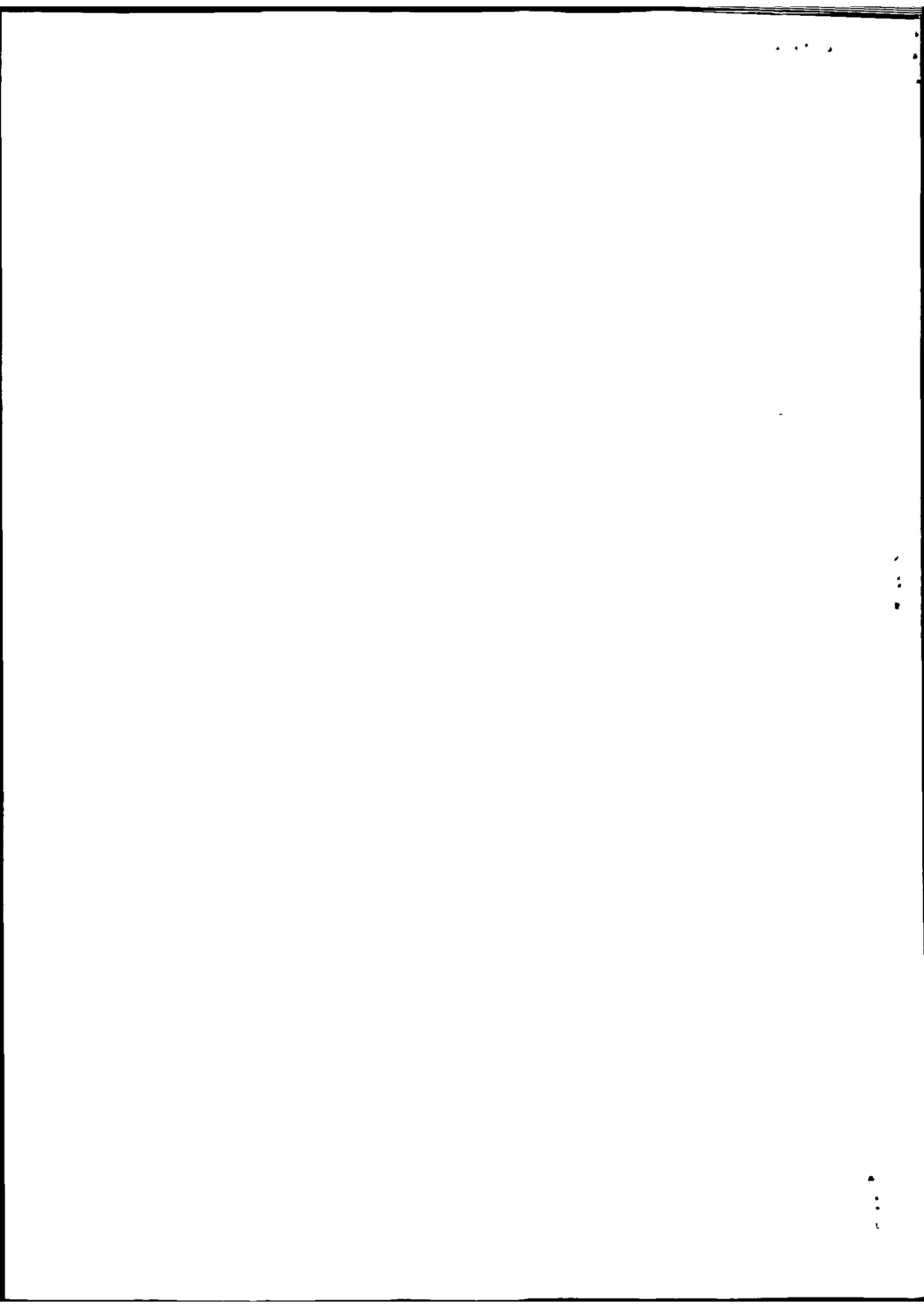
Actuarial gain recognised in the Statement of Financial Activities:

	2016 £	2015 £
Changes in demographic assumptions	-	(91,000)
Changes in financial assumptions	241,000	(267,000)
Other changes	16,000	329,000
Experience gains / (losses) arising on the scheme assets	41,000	11,000
	<hr/>	<hr/>
Actuarial gain / (loss) recognised in the Statement of Financial Activities	298,000	(18,000)
	<hr/>	<hr/>

Movement during the year:

	Year to 31/03/16 £	Year to 31/3/15 £
(Deficit)/Surplus at Beginning of Year	(97,000)	(60,000)
Movement in Year:		
Current Service Cost	(80,000)	(65,000)
Employer Contributions	50,000	49,000
Net interest charge	(4,000)	(3,000)
Actuarial Gain/(Loss)	298,000	(18,000)
	<hr/>	<hr/>
Surplus/(Deficit) at end of year	167,000	(97,000)
	<hr/> <hr/>	<hr/> <hr/>

The actuarial valuation at 31 March 2016 showed a movement in the year from a deficit of £97,000 to a surplus of £167,000.



INTO WORK

NOTES TO THE ACCOUNTS

for the Year Ended 31 March 2016

14. Related Party Transactions

No one individual had control of the charity during the year.

There were no related party transactions during the year as required to be disclosed by Financial Reporting Statement 102.

15. Company Limited by Guarantee

The company has no share capital as it is a company limited by guarantee.